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PŪLAMA LĀNAʻI

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of
PŪLAMA LĀNAʻI,

To Amend The Agriculture and Rural
Land Use District Boundaries Into the
Urban Land Use District for
approximately 170 acres of land,
consisting of a portion of Tax Map Key
No. (2) 4-9-0018:003 (por.), (2) 4-9-
002:061 (por.), and (2)4-9-002:001(por) at
Lānaʻi City, Island of Lānaʻi, County of
Maui, State of Hawaiʻi.

DOCKET NO. A26-812

**PETITIONER'S RESPONSE TO
OFFICE OF PLANNING AND
SUSTAINABLE DEVELOPMENT'S
STATEMENT OF POSITION FILED
JUNE 1, 2026**

EXHIBIT A

CERTIFICATE OF SERVICE

**PETITIONER’S RESPONSE TO OFFICE OF PLANNING AND
SUSTAINABLE DEVELOPMENT’S STATEMENT
OF POSITION FILED JUNE 1, 2026**

The Statement of Position filed by the State of Hawai‘i Office of Planning and Sustainable Development (“OPSD”) on June 1, 2026 (“Statement”), recommends approval of the Petition. Petitioner responds to all of the requests and recommendations in the Statement as follows.

1. Water.

OPSD notes that the Lana‘i Community Plan 2016 states that most of the utilized water comes from the Leeward Aquifer System and hydrologists caution against relying on just one side and spreading amongst both the Leeward and Windward Aquifer Systems. OPSD requests that the Petitioner further discuss this observation in relation to the proposed reclassification and proposed uses.

Statement at 5-6.

Please see the response in the attached Exhibit A.

2. Agricultural Lands.

OPSD notes that a policy of the Lana‘i Community Plan 2016 is to encourage the conservation of existing [Agricultural Lands of Importance to the State of Hawai‘i (“ALISH”)] lands-classified as either Unique or Other Agricultural Land-for continued agricultural use rather than for development. OPSD further notes that much of the land proposed for reclassification is currently not in agricultural production and that historical pineapple cultivation required minimal water. OPSD recommends that the Petitioner provide additional discussion regarding consistency with the Community Plan, specifically addressing how the proposed reclassification of Unique and Other ALISH lands will be mitigated.

Statement at 6.

The proposed reclassification of approximately 85 acres of “Unique” and 51 acres of “Other” ALISH lands in the Petition Area will not have an adverse impact on lands designated within ALISH because those lands within the Petition Area represent 0.62% of the total 21,942 acres of “Unique” and “Other” ALISH lands on Lāna‘i. This is de minimis. There are other agricultural activities on Lāna‘i that use significantly less water than former agricultural activities in the Petition Area. Moreover, the “Unique” and “Other” ALISH lands in the Petition Area have not been cultivated for

nearly four decades. Finally, since 1986, with the establishment of the Kō‘ele Project District by Maui County Council Ordinance No. 1581 in 1986, the Kō‘ele area has been permitted for resort, golf course, and residential uses, including the ALISH lands. Accordingly, the ALISH lands within the Petition Area are planned for residential, recreational, and hotel uses and are the focal point of the Kō‘ele Project District land uses as specified by MCC Section 19.71.010.

3. Historic.

OPSD notes that the SHPD letter that reviewed the LRFI Report (4/27/22), see Petition Exhibit 2, requests the County of Maui to flag TMKs (2) 4-9-002:061 (por.) and (2) 4-9-002:001 (por.) indicating to consult with SHPD regarding the identified historic properties on Parcels 061 and 001 at the time a future project is proposed within these parcels. OPSD requests that the Petitioner indicate if they have consulted with SHPD regarding this request.

Statement at 7.

Petitioner will consult with SHPD regarding parcels identified by TMKs (2) 4-9-002:061 (por.) and (2) 4-9-002:001 (por.) when a future project is proposed within those parcels.

4. Development Timetable.

No explicit timetable was provided for the Petition Area reclassification and proposed development. Consequently, further information as to the timetable for development would be helpful in determining whether incremental districting is appropriate or should be waived.

Statement at 10.

The development of the Petition Area in accordance with demonstrated need therefore will be accomplished within ten years of the date of Commission approval.

DATED: Honolulu, Hawai'i, June 15, 2026.

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/s/ Christopher T. Goodin

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OPSD Comment:

Water for the Project will come from the Lānaʻi Water Company that privately owns the domestic water system on Lānaʻi. The island is divided into nine aquifer systems, and the Petition Area falls within the Leeward Aquifer System, which together with the Windward Aquifer System, comprises the Central Aquifer Sector. The sustainable yield of Lānaʻi's combined aquifers is estimated at 6 million gallons per day ("MGD"), virtually all of which comes from the Central Aquifer Sector, with the sustainable yields of the Leeward Aquifer System and the Windward Aquifer System being 3.0 MGD each. The State Commission on Water Resources Management ("CWRM") has established a guideline of 4.3 MGD as the trigger to designate the island as a groundwater management area.

Based on the Lānaʻi Water Company's 2025 Periodic Water Report, the total daily water demand on Lānaʻi as of December 2025 was 1.738 MGD. According to the Petition, total estimated water demand for the Project Area, projected at this time, is as follows: (1) comfort station refurbishment: 1,500 gallons per day ("gpd"); (2) hotel expansion: 35,155 gpd; and (3) resort commercial uses (tennis courts, stables, pastures, and associated uses): 22,760 gpd for a total of estimated water demand for the Petition Area of 59,415 gpd (0.059415 MGD). Additionally, the Petition Area to be used as a park will be irrigated with R-1 water. Other proposed or approved projects are estimated to add 0.386 MGD to the total demand. Thus, the total forecasted water demand for Lānaʻi with the Project Area is estimated at 2.18 MGD below the CWRM trigger of 4.3 MGD. The Petition states that the Lānaʻi Water Company has confirmed with the Petitioner that it has adequate reserve to supply the Petition Area with the estimated demand.

OPSD notes that the Lānaʻi Community Plan 2016 states that most of the utilized water comes from the Leeward Aquifer System and hydrologists caution against relying on just one side and spreading amongst both the Leeward and Windward Aquifer Systems. OPSD requests that the Petitioner further discuss this observation in relation to the proposed reclassification and proposed uses.

PETITIONER RESPONSE

The Lānaʻi Community Plan 2016 states that most water has historically been drawn from the Leeward Aquifer System Area and that, on an island wide basis, hydrologists have cautioned against reliance on one side alone.

While that statement provides context regarding existing wells and historical pumping patterns, the relationship between the Leeward and Windward

Aquifer System Areas must be evaluated within the hydrologic and regulatory framework applied by the State Commission on Water Resource Management (“CWRM”) to the Central Aquifer Sector Area.

CWRM evaluates the Leeward and Windward Aquifer System Areas together as the interconnected Central Aquifer Sector Area based on the technical studies and modeling that support its groundwater management decisions for Lāna‘i. Given the interconnection, the relevant inquiry is not whether existing wells are located predominantly on the Leeward side, but whether total withdrawals remain within the sustainable yield and management thresholds established by CWRM for the sector as a whole. Here, the projected demand associated with the proposed reclassification and uses remains well below those thresholds and does not materially alter the basis on which CWRM manages groundwater resources on Lāna‘i.

The sustainable yield for Lāna‘i’s Central Aquifer Sector Area was established by CWRM in 1990 at 6.0 million gallons per day (“MGD”) in the first Water Resource Protection Plan. CWRM has retained that sustainable yield in subsequent updates, including the most recent 2019 update.

In 1990, CWRM established 4.3 MGD as the threshold for revisiting groundwater management area designation proceedings on Lāna‘i. At that time, the estimated total future demand discussed in the designation proceedings was approximately 4.2 MGD. The decision not to designate at that time provided that if actual pumpage reached 4.3 MGD on a 12-month moving average basis and planned alternative water sources failed to materialize while full land development continued, the designation process would be revisited.¹

¹ The Central Aquifer Sector Area is comprised of two aquifer system areas, the Leeward Aquifer System Area and the Windward Aquifer System Area, each with a sustainable yield of 3.0 MGD. On Lāna‘i, most existing wells are in the Leeward Aquifer System. However, studies conducted in the 1980s and 1990s, including work by Mink and Blackhawk Industries (Figure 1, aqua and orange lines), evaluated the hydrologic relationship between the two systems and continue to support CWRM’s treatment of both systems as components of the broader Central Aquifer Sector. The high-level aquifer area identified by Mink in 1983 (Figure 1, green outline) was later used by CWRM in its Water Resource Protection Plan in defining the Central Aquifer Sector Area.

Figure 2 depicts the numerical model presented in the 1996 Commission report, based on work by Blackhawk, Mink, and U.S. Geological Survey geologic mapping, evaluating island-wide groundwater flow. The model illustrates the conceptual relationship between the Leeward and Windward

Since 1990, the 13-month moving average for Lānaʻi has been reduced to 1.628 MGD (as of April 2024). The lower volume is partially the result of reduced agricultural production on Lānaʻi. In addition, the Lānaʻi Auxiliary Reclamation Facility was established in 1994, provides recycled water (“R-1”) for irrigation purposes in the former Kōʻele Golf Course area and will continue to provide R-1 water to the extent practicable. The proposed use within the Petition Area is 59,415 gpd (0.059415 MGD). Accordingly, the total use will remain substantially below the sustainable yield and the threshold for revisiting designation.

The projected demand associated with the Petition Area is modest, will be served by the existing Lānaʻi Water Company’s Public Water System 237, and does not materially alter island-wide groundwater withdrawal patterns or the basis on which CWRM manages groundwater resources on Lānaʻi. Given the limited use and the communication between the aquifers, there is no nexus between the impact of the project, on the one hand, and the development of separate wells and delivery systems and the substantial cost thereof, on the other.

high-level aquifer systems and indicates a hydrologic connection between the two systems. The model was calibrated using historical pumpage and water level data. The study concluded that fog drip is an important component of recharge and that the 6.0 MGD sustainable yield used by CWRM was reasonable.

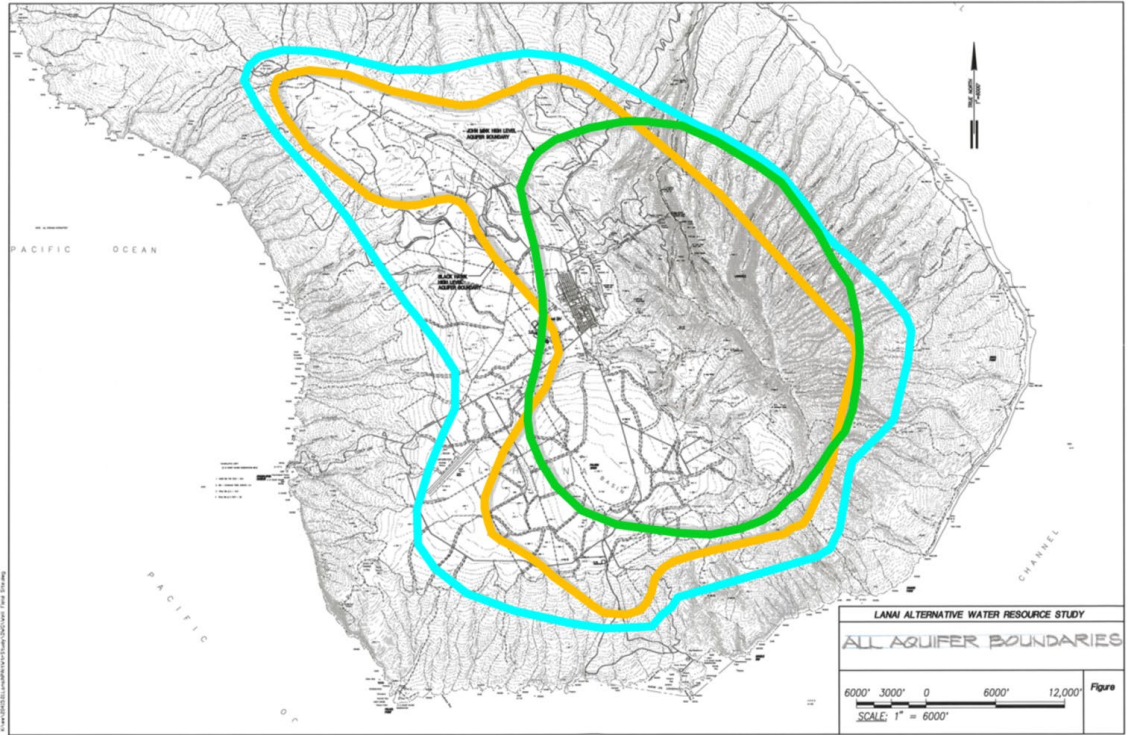
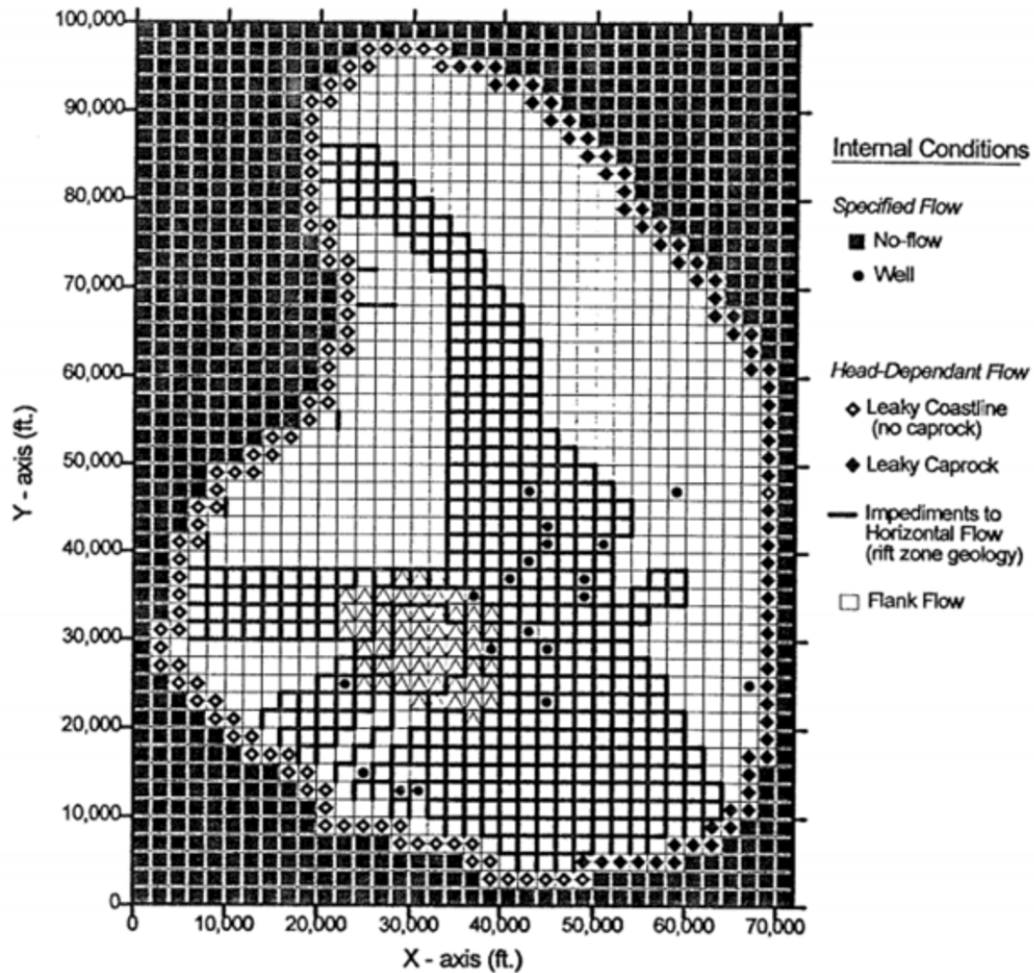


Figure 1: Overlay of two studies depicting the Central Aquifer Sector area on Lānaʻi.

Lanai MODFLOW 36 x 50 Grid



Note: Y - axis in MODFLOW has origin at the top-left rather than the cartesian display as shown.

Areal Extent of High-Level Aquifer as defined by cells surrounded by impediments to horizontal flow = 57.4 sq. mi.

Figure 2: Numerical model from the 1996 Commission report illustrating island-wide groundwater flow and the hydrologic connection between the Leeward and Windward aquifer systems on Lānaʻi.

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No. (2) 4-9-0018:003 (por.), (2) 4-9-
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Lāna'i City, Island of Lāna'i, County of
Maui, State of Hawai'i.

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CERTIFICATE OF SERVICE

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The undersigned hereby certify that on this date, a copy of the foregoing document was duly served on the following persons at their last known address by depositing a copy in the U.S. mail, postage prepaid:

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DATED: Honolulu, Hawaiʻi, June 15, 2026.

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