Dear Mr. Leppert,

Re: Proposed water sources for golf course and irrigation uses at Manele resort.

This letter seeks to clarify Lanai Company's intention and ability to develop and utilize alternative non-potable water for residential and golf course irrigation at Manele.

It has been our understanding, from earlier representations of the Company, that the golf course and resort residential irrigation would not draw from the island's limited high-level aquifer. However, recent correspondence from Council Chair Goro Hokama and Mr. Ron McOmber have raised questions in regards to use of high-level water and the meaning of the water-related conditions attached to the various land use approvals for the golf course.

The Land Use Commission (LUC) proceedings for the Manele Golf Course (A89-649) provide an excellent opportunity to examine the intent of the conditions because typed transcripts are available of the entire proceedings.

During the July and August 1990 hearings Docket No. A89-649, Mr. James Kumagai and Mr. Thomas Leppert explained that irrigation water for the golf course would come from a combination of "alternate sources." Mr. Kumagai defined alternate sources as those other than the high-level aquifer, i.e. effluent, the basal brackish source and desalinized water. Considerable testimony and cross-examination of petitioner's witness Dr. John Mink explored the distinction between high level and basal water, as well as the sustainability of the two sources.

While reference was often made to Well #9 during the proceedings, the representation of the various company witnesses leaves one with the definite impression that only alternate...

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sources (i.e. no high-level water) would be used for golf course and resort residential irrigation.

Condition No. 10, of the LUC Decision and Order dated April 16, 1991, reads:

"Petitioner shall not utilize the potable water from the high-level ground water aquifer for golf course irrigation use, and shall instead develop and utilize only alternative non-potable sources of water (e.g., brackish water, reclaimed sewage effluent) for golf course irrigation requirements."

The reference to "instead develop" alternate sources would appear to prohibit the use of high-level water.

Furthermore Appendix K, "Memorandum of Agreement, October 10, 1990", of the Manele Golf Course and Golf Residential Project Environmental Impact Statement, accepted by the Maui Planning Commission as an accurate environmental disclosure document under Chapter 343, states in Section 6. Environmental Protection (d):

"Ensure that no high level ground water aquifer will be used for golf course maintenance or operation. . . and that all irrigation of the golf course shall be through alternative non-potable water sources."

The attached table, entitled "Projected Long-Term Water Demand on Lana'i", was distributed by the Company at the December 28, 1992 meeting of the Maui Planning Commission in Lana'i City. The table shows .550 mgd of water to be withdrawn from the high-level aquifer and used for Manele Golf Course irrigation.

This table, to our knowledge, is the first clear disclosure that Well #9 is high-level water and that high-level water will be used for the golf course. In other words, more than a half a million gallons per day of the island's total 6 million mgd sustainable yield is committed to golf course irrigation.

However, our understanding was that the golf course and resort residential irrigation would not draw from the island's limited high-level aquifer. I do believe the intent, if not the letter, of the LUC and MOA conditions have been breached. Could you provide new information to show that the concerns expressed and representations made earlier are no longer applicable?

Also, in regards to the feasibility of developing alternate sources, I understand from discussions between my staff and Mr. Vince Bagoyo, that geo-physical and hydrological tests were recently completed to gather further data on the basal aquifer.
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Could the results of those tests be made available to this office?

Thank you for your attention to these requests. If further clarification is needed, please contact me or Mr. Keoni Fairbanks of this office.

Very Truly Yours,

[Signature]

BRIAN M. MILNE  
Planning Director

encl.

cc:  Mayor Linda Crockett Lingle  
Council Chair Goro Hokama  
D. Craddick, Water Director  
E. Ueda, Executive Officer, LUC  
R. Loui, Deputy Director, DLNR  
H. Masumoto, State Planning Director  
R. Baker, State House Representative  
R. McOmber  
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