EXHIBIT "I-9" PART R

APPENDIX J

Conistency with the 1998 Community Plan

Community Plan Consistency

The last version of the Lana'i Community Plan was adopted by the Maui County Council on December 8th, 1998. The Maui County Charter, §8-11.2(3) requires that the Water Department's Long Range Plan conform with the County's general and community plans. For that reason, the entire Lana'i Community Plan has relevance for the Lana'i Water Use and Development Plan, and the reader is encouraged to review both plans. An update of the plan is expected shortly, However, some of the key goals, objectives, policies and implementing actions that pertain to water issues within that plan are noted, with comments as to how the WUDP addressed thse items.

Economic Activity:

Objectives and Policies:

Item 4: Promote diversified agriculture as a means of establishing job and income stability.

Implementing Actions

Item 5: Establish and reserve a minimum water allocation to meet the needs of diversified agriculture, consistent with the Water Use and Development Plan for Lana`i as approved by law.

WUDP Response: LWAC made pro-active efforts to identify current and future agricultural needs during the drafting of the Working Group Report. The allocation agreed to at that time, in the amount of a 500,000 GPD reserve has remained the recommended allocation of LWAC.

Land Use:

Objectives and Policies:

Item 6: Continue to encourage the development of a regulatory review process which encourages and facilitates public participation in all major land development activities.

WUDP Response: Establishment and implementation of Lana'i Water Advisory Committee by the Board of Water Supply, allowed for an additional community mechanism to discuss and resolve water issues involved in land use decisions, and make recommendations to the Lana'i Planning Commission or other governmental bodies regarding water aspects of land use decisions.

Item 11: Preserve and maintain lands used for hunting or which are designated as game management areas.

WUDP Response: LWAC discussion of need for watershed protection as primary need of the WUDP, efforts to obtain peer review on watershed protection priorities, discussion and review of fencing options and needs, public presentation of such options, DWS and LWAC participation in the development and on-going implementation of a Lana'i Forest and Watershed Partnership, support by DWS for acquisition of grant funding, and incorporation of a watershed protection chapter in the WUDP, with provision for continued game management.

Item 13: Ensure that coastal land uses are compatible with management, protection and restoration needs of Lana`i's coastal resources.

WUDP Response: Watershed protection chapter in the WUDP includes provision for fire prevention and erosion control measures among others that should help protect coastal resources as well as Lanaihale, also support by DWS for acquisition of grant funding for same during WUDP process.

Environment

<u>Objectives and Policies:</u> Ecosystems can not effectively be broken into constituent parts, but are rather intricately interconnected systems. Therefore, all of the environmental objectives, policies and implementing actions are listed herein, as all have at least some relation to water issues. Items specifically addressed in the WUDP are noted by explanations beneath.

Item 1: Manage, protect, and where appropriate, restore Lana`i's Coastal Resources.

Item 2: Protect and manage coastal water quality through best management land treatment practices.

WUDP Response: The watershed protection chapter in the WUDP includes provision for fire prevention and erosion control measures among others that should help protect coastal resources as well as Lanaihale, also support by DWS for acquisition of grant funding for same during WUDP process.

Item 3: Incorporate waste recycling and reuse as major elements of the island's environmental resource management and protection program.

Item 4: Ensure the long-term availability of low-cost water for agricultural purposes consistent with the Water Use and Development Plan for Lana'i as approved by law.

Item 5: Establish agricultural water needs as a priority in developing and allocating the island's limited water resources consistent with the Water Use and Development Plan for Lana'i as approved by law.

WUDP Response: LWAC made pro-active efforts to identify current and future agricultural needs during the drafting of the Working Group Report. The allocation agreed to at that time, in the amount of a 500,000 GPD reserve has remained the recommended allocation of LWAC.

Item 6: Protect, preserve restore and enhance Lana`i's existing and potential water recharge areas.

WUDP Response: In addition to watershed chapter, partnership, fencing and management efforts on Lanaihale prescribed in plan, the plan includes modeled wellhead protection areas as suggested by the University of Hawaii's Water Resources Research Center.

Item 7: Recognize and preserve traditional uses of the environment to address subsistence needs of the residents of Lana`i.

Item 8: Protect and restore native habitats through conservation, land management and educational programs.

Item 9: Restore the environmental integrity of Lana'i's terrestrial resources through development of a comprehensive forest management and reforestation program utilizing native species.

WUDP Response: LWAC discussion of need for watershed protection as primary need of the WUDP, efforts to obtain peer review on watershed protection priorities, discussion and review of fencing options and needs, public presentation of such options, DWS and LWAC participation in the development and on-going implementation of a Lana'i Forest and Watershed Partnership, support by DWS for acquisition of grant funding, and incorporation of a watershed protection chapter in the WUDP, with provision for continued forest management.

Item 10: Protect and enhance the island's native plant and animal species by prohibiting the importation of alien species.

WUDP Response: List of plants to avoid is attached as appendix to WUDP watershed chapter.

Item 11: Recognize and support agriculture, forestry and game management as key elements in maintaining, preserving and protecting Lanai's land, water and marine resources.

WUDP Response: Same as listed for items 8 and 9 above.

Implementing Actions:

WUDP response (general) to all 10 items below: WUDP Response items provided below are abbreviated because, except where otherwise noted, the response for most of these Environmental Implementing actions may be found within the WUDP in the watershed protection chapter, as well as supporting documentation such as the partnership MOU and in allocations for agricultural use as defined in consensus-based allocation tables.

Item 1: Update and implement watershed, flood prevention and soil conservation programs.

WUDP Response: See watershed chapter & funding applications to support management.

Item 2: Establish and reserve a minimum water allocation to meet the needs of diversified agriculture consistent with the Water Use and Development Plan as approved by law.

WUDP Response: See allocation tables.

Item 3: Maintain the Marine Life Conservation District at Manele/Hulopoe Bays

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Item 4: Maintain the existing boundaries of the Kanepu'u Dryland Forest

WUDP Response: Lana'i Forest and Watershed Partnership formalizing MOU specifies continued protection of the dryland Kanepu'u preserve as well as Lanaihale.

Item 5: Identify coastal access opportunities through former agricultural roads and trails, including: Community Plan published as ordinance 2738 in county clerk's office lists 101 trails and roads on page 42

Item 6: Prohibit the use of high level aquifer water for golf course irrigation purposes, consistent with the Water Use and Development Plan for Lana`i, as approved by law.

WUDP Response: See allocation tables.

Item 7: Conduct a regional land resource assessment to:

Identify areas suitable for revegetation and reforestation with native plant species; and

Identify areas suitable for designation as groundwater recharge expansion areas.

WUDP Response: See watershed chapter AND Wellhead protection / groundwater recharge areas delineated by UH Water Resources Research Center.

Item 8: Establish a feral animal control program and apply appropriate game management techiniques (e.g. provision of feed and water stations) for purposes of protecting and preserving groundwater recharge areas.

WUDP Response: See watershed chapter, partnership activity, and periodic reports from conservation and game management divisions of CCR to LWAC.

Item 9: Develop a system of floating preserves (e.g. a "konohiki system") as a means of managing nearshore coastal resources.

Item 10: Encourage and support the establishment and/or expansion of native Lana`i plant species, utilizing appropriate practices and techniques for propagation, planting, and distribution of native plant species. Support the development of approval processes for nursery sources of native plant species.

WUDP Response: See watershed chapter, partnership and grant acquisition activity.

Cultural Resources

Objectives and Policies:

Item 3: Recognize the importance of historically and archaeologically sensitive sites and encourage their preservation.

Item 8: Preserve and protect native Hawaiian rights customarily and traditionally exercised for subsistence, cultural and religious purposes in accordance with Article XII, §7 of the Hawaii State Constitution, and the Hawaii Supreme Court's PASH opinion, 79 Haw. 425 (1995).

Implementing Actions:

Item 13: Stabilize the hillside at Luahiwa to protect petroglyphs from erosion. Consider the potential effects of increased foot traffic on erosion in the vicinity of the petroglyphs before deciding to develop and interpretive trail or other access.

WUDP Response to Cultural Resources Items: WUDP is only tangentially related, but response should be noted here. Watershed Protection Chapter and plans of the Forest and Watershed Partnership support protection of Native Hawaiian gathering rights to the extent that they are designed to protect the natural heritage of the island. Archaeologically sensitive sites and trails are protected inasmuch as the watershed protection chapter recommends survey of site to avoid inadvertent destruction of natural or cultural treasures in fence building, planting, erosion management or other maintenance activities. Finally, while erosion control efforts supported by the watershed protection chapter will not be enough to stabilize any specific hillside in the short term, over the longer term management efforts should support general stabilization of lands which are currently severely denuded, eroded and prone to further destabilization by erosion.

Indigenous Architecture:

WUDP Response: No items directly related to WUDP listed in Community Plan. However, indigenous architecture can only be enhanced by native endemic and indigenous landscaping. Use of native species for landscaping are mentioned in the WUDP. Suggest that provision encouraging use of native plants for landscaping be included in the event that an ordinance for indigenous architecture proposed by Community Plan is developed and passed.

Urban Design:

Objectives and Policies:

Item 2: Provide additional landscaping in Lana`i City to enhance the environment, utilizing native and non-invasive climate-adapted plants appropriate for the region..

WUDP Response: The DWS Brochure lists native plants appropriate for various climate zones adapted from the Maui County Planting Plan. This list is being peer-reviewed for its applicability and appropriateness to Lana'i, and is included in the WUDP appendices.

Implementing Actions:

Item 5: Prohibit the removal of plant material necessary for water recharge. Plant material necessary for water recharge shall not be used as a source of landscape planting materials.

WUDP Response: Watershed Chapter encourages establishment / enlargement of nursery with appropriate propagation techniques, and with limited, well-guided gathering of seed or cuttings as needed under supervision or in coordination with resource management agencies such as DOFAW, US F&WS, or other qualified specialists in native species preservation. Without proper guidance or expertise, gathering from key areas is discouraged in watershed chapter, and will be further discouraged by fence.

Physical Infrastructure- Water:

Objectives and Policies:

Item 1: Encourage and support comprehensive planning and management of Lana`i's water resources, consistent with the Water Use and Development Plan for Lana`i as approved by law, to ensure long-term economic stability and diversification, and sufficient water allocated for, but not limited to:

- a. the agricultural park;
- b. the Hawaiian Home Lands;
- c. those lands designated for affordable housing;
- d. the community gardens;
- e. the Lana`i Horse Owner's Association paddock.

WUDP Response: Each of these items has a consensus allocation in the allocation table.

Item 2: Complete and properly maintain the existing potable water distribution system to provide sufficient water pressure throughout Lana'i City.

WUDP Response: CCR owns the only utility serving municipal water supply needs on the island. They were unwilling to provide maps or capital plans for their systems, nor to have these included in the WUDP. The Water Advisory Group did not insist on this.

Item 3: Use recycled or brackish water for irrigation.

WUDP Response: This recommendation is noted in the plan, and a year of reclaimed water use data is included. Data on reclaimed water use are reviewed regularly by the LWAC.

Item 4: Encourage comprehensive water resources planning and management for domestic and agricultural water systems prior to urban development outside of Lana`i City.

WUDP Response: This is the purpose of the Lana'i Water Advisory Committee, and the Water Use & Development Plan effort. The Resolution Establishing LWAC has been provided elsewhere in this document.

Item 5: Improve the quality of potable water

WUDP Response: Source water protection chapters of the WUDP, watershed protection, wellhead protection zone monitoring and others are aimed at improving the quality of potable water.

Item 6: Promote a water conservation program.

WUDP Response: A conservation program is included in the proposed plan.

Item 7: Support the creation of a permanent Lana`i Water Advisory Board comprised of Lana`i Residents.

Community Plan Consistency

WUDP Response: The Lana'i Water Advisory Committee was formally approved by the Board and established indefinitely by Resolution dated March 16, 1999. This Resolution is included as an appendix to the WUDP.

Item 8: Encourage, support and ensure protection and restoration of watershed and critical recharge areas.

WUDP Response: The watershed chapter, MOU of the Lana'i Forest and Watershed Partnership, and community efforts described in the *Watershed* chapter meet the intent of this item.

Implementing Actions:

Item 1: Provide incentives for water conservation practices.

WUDP Response: Provision for incentives is included in the proposed rate structure. Final program details will be the decision of the LWCI.

Item 2: Prepare a comprehensive water resource management plan for the island of Lana`i to establish priorities and allocations for water use.

WUDP Response: Entire WUDP for Lana'i is response to this question, particularly allocation tables.

Item 3: Implement a Lana`i Water Advisory Board as a mechanism for monitoring water conservation practices on the island as may be adopted by the Board of Water Supply.

WUDP Response: Resolution of March 16th, 1999 is included herein

Item 4: Include provisions for the protection of the watershed and recharge in the Water Use and Development Plan.

WUDP Response: Watershed chapter and wellhead protection/recharge protection zones in document.

Item 5: Include a proposal for continued community representation on water issues in the Water Use and Development Plan.

WUDP Response: Resolution of March 16th, 1999, as well as implementation guidelines drafted by LWAC are attached. DWS proposes quarterly meetings, with provision to increase to 6 if necessary. LWAC has been operating since 1997, formally established in 1999. Possible changes to frequency of meetings and establishment of subcommittees are issues of ongoing discussion as this plan is finalized.

Item 6: Ensure that water allocations as defined in the community plan are incorporated in the Water Use and Development Plan.

WUDP Response: No specific water allocations appear to have been set within the Community Plan, other than provision of "adequate" water for the following:

- the agricultural park;
- Hawaiian Home Lands;
- those lands designated for affordable housing;
- the Community Gardens;

• the Lana'i Horse Owner's Association paddock.

Elsewhere in the document, desire for allocation for the following facilities was listed, though without specific reference to allocation.

- Cavendish Golf Course
- Emergency medical facilities, public health facilities, medical service facility at Manele, and helipad transport site for medical purposes
- Maui Community College site
- Satellite government facility
- New Police Station
- 10 acre Light Industrial area above Kaumalapau Quarry (TMK 4-9-002:001 por) half of which is to be sold in fee simple
- 10 acre Light Industrial area at the Shuttle Station (TMK 4-9-002:001 por) half of which to be sold in fee simple
- 20 acre Heavy Industrial area at Miki Road (TMK 4-9-002:001 por and 050 por), half of which to be sold in fee simple
- 3.4 acre business-commercial area at Lana'i City shop area, (TMK 4-9-005:090 por), half of which to be sold in fee simple.
- 1 acre Hotel area behind Hotel Lana'i (TMK 4-9-011:001 por) from which no trees are to be removed.
- 10 acre business-commercial area at police station (TMK 4-9-006:004) for which no new zoning is to be filed until new police station has been built and courthouse relocated.

WUDP Response: Above items are included in the allocation table.

Item 7: Include suggestions for demand management opportunities in the Water Use and Development Plan..

WUDP Response: These are included in the *Supply Options* chapter.

Physical Infrastructure - Liquid and Solid Waste

Objectives and Policies:

Item 2: Support improvements to the wastewater collection and treatment system to ensure full and adequate service to Lana'i City and its immediate surrounding environs.

Item 3: Encourage a conservation ethic which supports wastewater reclamation and utilization of alternative resource conservation technologies.

Implementing Actions:

Community Plan Consistency

Item 1: Prepare a wastewater system master plan for Lana'i as a basis for programming and implementing facilities improvements which will meet the needs of the island's residents in a timely manner.

Item 2: Connect existing residences within the mauka portion of Lana'i City to the County's wastewater collection and treatment system.

Item 3: Conduct a wastewater reuse feasibility study for Lana`i

WUDP Response: Reclaimed water is in use on Lana'i and potential increases to that use are projejcted within the Water Use & Development Plan.

Item 4: Provide funding to the Department of Public Works and Waste Management's Solid Waste Division for the proper landscaping and maintenance of solid waste facilities and surrounding environs.

Item 5: Provide for an alternate site for a new County landfill at Kaumalapau Quarry to permit compatible activity within the quarry.

Energy

WUDP Response: No items directly related to WUDP listed in Community Plan.

Housing

WUDP Response: No items directly related to WUPD listed in Community Plan.

Social Infrastructure

Objectives and Policies:

Item 1: Provide neighborhood parks which serve a variety of needs, including but not limited to active play fields and passive areas which may be used for community gardens.

WUDP Response: Water allocation for community gardens included in allocation table.

Implementing Actions:

Item 4: Maintain the quality and availability of Cavendish Golf Course for golf course use in perpetuity for Lana`i residents.

WUDP Response: Water allocation for Cavendish Golf Course included in allocation table.

Health and Public Safety

Objectives and Policies:

Item 3: Ensure the long term integrity of medical and emergency medical facilities and services with appropriate allocation of capital improvements funding and staff positions, adequate provision of supporting programs and facilities, and ready access to state-of-the-art medical technologies.

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WUDP Response: Agenda item for LWAC to discuss whether allocation for medical, safety and emergency facilities should be added to allocation table.

Item 7: Improve water rescue service and fire protection by providing necessary equipment, training and staffing.

WUDP Response: Fire prevention needs discussed during preparation of watershed chapter, support of strengthened prevention and response incorporated into watershed chapter - mainly for watershed, but access to facilities should also help with other fire rescue needs.

Implementing Actions:

Item 3: Prepare a capital improvements plan to address the immediate and long term facilities requirements for medical and public health services.

Item 5: Study the feasibility of a medical service facility site at Manele.

Item 6: Identify and support a helipad site for medical transport purposes in accordance with the Maui County Disaster Plan for Lana`i.

WUDP Response: Add agenda item for LWAC to discuss whether allocation for medical, safety and emergency facilities should be added to table. Work with fire department and civil defense to acquire grant for helicopter for Lana'i - for prevention of fire spread in the extremely vulnerable key watershed as well as for medical emergencies.

Education

Implementing Actions:

Item 1: Designate an appropriate site consisting of a minimum of five acres for the use of Maui Community College in consultation with the Board of Regents and the University of Hawaii.

WUDP Response: Site is built ...

<u>Government</u>

Objectives and Policies

Item 1: Streamline regulatory approval processes through means such as consolidated public hearings and concurrent processing of approvals.

Item 2: Develop land use, building and subdivision codes and standards which are appropriate for Lana`i.

WUDP Response: Recommend use of native and non-invasive non-native species for planting and landscaping codes, and low flow fixtures as per ordinance for building standards. Consider requiring water conservation tradeoff for development rights for new projects, some phases of existing projects.

Community Plan Consistency

Item 3: Utilize the County's budgeting process as a means to carry out the policies and priorities of the community plan.

Item 4: Utilize the County's real property tax assessment function as both a means to carry out the policies and priorities of the Community Plan and a mechanism for monitoring and updating the Community Plan.

Item 5: Acknowledge and support the role and responsibility of the Lana`i Planning Commission in monitoring and enforcing the implementation of the Lana`i Community Plan.

Item 6: Encourage and expand chore and transportation services for the elderly.

Item 7: Maintain and support non-profit preschool and childcare facilities and services.

Item 8: Provide Public information in multi-lingual formats.

WUDP Response: DWS staff has translated various water conservation materials into Tagalog, and will do the same for watershed protection materials.

Item 9: Encourage State and County Officials to conduct regularly scheduled public informational meetings on Lana`i, with appropriate follow-up to address questions and concerns of residents.

WUDP Response: The establishement of LWAC created a venue for water regular discussion and exchange of information.

Item 10: Encourage improved communications among government agencies and between the public and government agencies in order to improve public service reliability and efficiency.

WUDP Response: LWAC membership and invite list includes ex-officio representation by various agencies: Planning Dept, Public Works, and County Council as well as State DLNR-CWRM and DLNR-DOFAW. Voting membership by Lana'i Planning Commission member. DWS staffs the LWAC, as it is advisory to their Board.

Item 11: Encourage and support the use of telecommunications technology to link Lana`i residents with State and County Government functions and activities through an interactive communication mode.

WUDP Response: In deterimining its watershed priorities, LWAC held a SkyBridge meeting with participation of forestry experts from several islands.

Item 12: Provide for adequate cemetery facilities to meet the current and future needs of Lana`i's residents.

Item 13: Establish a permanent Lana'i Water Advisory Board.

WUDP Response: The Lana'i Water Advisory Committee was formally approved by the Board and established indefinitely by resolution dated March 16th, 1999. This resolution is included as an appendix to the WUDP.

Implementing Actions:

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Item 1: Develop a satellite government center for Lana`i with scheduled days for different State and County agencies.

Item 4: Support the centralization of government services in the Lana`i City town core. Establishment of centralized government services at the Administration Building shall be considered.

Item 5: Support the provision of land at Keomoku for distribution by the Department of Hawaiian Home Lands.

WUDP Response: Allocation table includes provision for Hawaiian Home Lands

Planning Standards

Landscaping Native plant species which are found on Lana`i shall be utilized for public and quasi-public facilities (ordinance 2738, pg 60).

WUDP Response: Identification of Public and Quasi Public Facilities, and establishment of native landscaping at said facilities is an element of the watershed protection plan long term implementation matrix.

Project Districts

Project District 1 - Manele

Project District includes hotel, residential, golf course, commercial, open space, park, and public marina uses. Commercial uses are limited to the hotel, golf clubhouse and Manele small-boat harbor.

Total Area of Project District in Community Plan is 868 acres, including a minimum of 130 acres open space at the Pu'upehe Peninsula. The Community Plan update altered 25 acres from SF to MF and 6.6 acres from SF to Hotel.

WUDP Response: Allocation for Manele PD is included in WUDP. Table of allowable acreages and water-related conditions as these have changed over the years is also incorporated into the WUDP.

Project District 2 - Koele

Project District includes hotel, residential, golf course, open space and other uses. The Community Plan changed 57 acres at 4-9-002:001(por) from PD to Ag; 12 acres of existing woods from PD to OS at TMK 4-9-1:24; 98 acres of existing (Cavendish) Golf Course from PD to PK(GC) (park-golf course); and 238 acres at 4-9-2:001 (por) from Rural to OS (East of Keomoku Rd) and AG (West of Keomoku Road).

WUDP Response: Allocation for Koele PD is included in WUDP. Table of allowable acreages and water-related conditions as these have changed over the years is also incorporated into the WUDP.

Implementation Responsibilities

WUDP Response: Despite multiple water-related objectives and actions within the text of the plan, the Lana'i Community Plan matrix of Implementation Responsibilities assigns no tasks to the Department of Water Supply. However, it does refer repeatedly to insuring consistency with the WUDP.

LWAC has addressed various water and issues, from establishing watershed protection in concert with the Biodiversity Group, to questions as to the use of potable water on the upper elevation golf courses, to the scope and staging of Project Districts, to an ongoing venue for addressing water issues, to system monitoring and maintenance, to review of development projects and impacts on Lana'i resources, to operational guidelines developed by a consultant for Castle & Cooke resorts, and reviewed by both the advisory committee and the CWRM.