

## Small Business Regulatory Review Board

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### MEETING MINUTES January 18, 2024

#### January 18, 2024 Meeting Recording

- I. **CALL TO ORDER:** Chair Albitz called the meeting to order at 10:01 a.m., with a quorum present.

**MEMBERS PRESENT:**

- Mary Albitz, Chair
- Robert Cundiff, Vice Chair
- Jonathan Shick, 2<sup>nd</sup> Vice Chair
- Garth Yamanaka
- James (Kimo) Lee
- Tessa Gomes
- Sanford Morioka
- Mark Ritchie

**ABSENT MEMBERS:**

- Dr. Nancy Atmospera-Walsh
- William Lydgate

**STAFF: DBEDT**

Dori Palcovich  
Jet'aime Ariola

**Office of the Attorney General**

Alison Kato

II. **APPROVAL OF December 7, 2023 MINUTES**

Vice Chair Cundiff motioned to accept the December 7, 2023 meeting minutes, as presented. Mr. Ritchie seconded the motion and the Board members unanimously agreed.

III. **OLD BUSINESS**

- A. Discussion and Action on the Small Business Statement After Public Hearing and Proposed Amendments to HAR Title 17 Chapter 799, Preschool Open Doors Program, promulgated by Department of Human Services (DHS)

Ms. Stacy Tonouchi from DHS noted that Mr. Scott Nakasone, Assistant Division Administrator, was unable to attend the meeting this morning. She explained that the public hearing was properly noticed and held virtually on November 20, 2023. Twenty-eight people attended the hearing, nine testified and eleven provided written comments.

Comments received at the hearing were positive and many applauded DHS for listening to the concerns that were raised, and for moving forward with the changes that would greatly help income-eligible families as well as the participating preschools. However, some suggested changes, which were not necessarily negative, were unable to be made, but have

been noted by DHS and will be further reviewed for consideration for possible amendments in the future. Other suggested comments made at the hearing can be addressed through programmatic procedures.

Ms. Tonouchi also noted that the proposed rules have already been adopted and signed off by the Governor as of January 12, 2024. The board acknowledged this and understood there can be timing issues when a rule is adopted and when it is brought forth to this Board.

Despite receiving the small business statement after public hearing statement after the administrative rules were adopted, Vice Chair Cundiff motioned to send the proposed amendments to the Governor for adoption. Mr. Ritchie seconded the motion, and the Board members unanimously agreed.

B. Discussion and Action on the Small Business Statement After Public Hearing and Proposed Amendments to BWS Rules and Regulations Chapter I – V, Section 54 – 26 for Adoption of New Water Rates and Charges, promulgated by the Board of Water Supply, City and County of Honolulu

BWS Chief Engineer Mr. Ernest Lau and his team were introduced – Deputy Manager, Irwin Kawata, Raelynn Nakabayashi, Kaliko Lum Kee, Communications Officer Kathleen Elliott-Pahinui, Kathy Mitchell, and BWS’s Intern. Discussion leader and Second Vice Chair Mr. Shick summarized the small business statement after public hearing and Mr. Lau proceeded with the presentation.

Prior to the presentation, Mr. Lau announced that the proposed rules were formally presented to the BWS members and were adopted. He noted that when the water rates are increased again in five years, the after-public hearing statement will be presented to this Board “before” the rules and water rates are adopted by the BWS.

He began by stating that BWS is financially self-sufficient and explained where the money from the water bills goes; sewer charges are not included. It takes approximately \$276.4 million to operate the island’s water system, which is not completely cash funded. It is important that BWS invest in high levels of capital improvement projects and maintain a current level of funding for the projects.

BWS’s mission is to provide safe and dependable water service to the current and future communities with affordable rates. In the next six years, BWS will pay \$1.26 billion for 132 capital projects with the current funding. The rate increases are as follows: February 1, 2024 at 10%, July 1, 2024 at 10%, July 1, 2025 at 9%, July 1, 2026 at 8.5%, July 1, 2027 at 8% and July 1, 2028 at 8%.

The 170,000 customer accounts include single-family residential, multi-unit residential, agricultural, non-residential, and non-potable and recycled. The “small business” waiver for new farmers’ installation fee and water system facilities charge has and will continue to be instituted because food security is very important.

Communications Officer Ms. Kathleen Elliott-Pahinui explained that there were 284 views on the BWS website regarding the rate proposal. There were 4 community information

meetings with about 25 people attending, which is comparable to how many people showed up the last time rates were increased (five years ago). These 4 meetings were video-taped and placed on the BWS website as well as Olelo Video on Demand.

In addition, BWS attended 21 neighborhood board meetings with a total of 420 attendees, 7 interest group presentations with about 150 attendees, senior and emergency prep fairs, and the various chambers of commerce among others. As a result of these events and meetings, BWS received 117 written and oral comments, of which 102 were opposed to the rate increases; 15 were in support.

Many of the board members expressed appreciation for the excellent outreach that was undertaken by Mr. Lau and his team. Mr. Yamanaka noted that it was found that when proposed rates from agencies come before this Board it may pose concerns among stakeholders due to the long time between rate changes. Mr. Lau requested that if this Board had any suggestions for including small business organizations or businesses to BWS's small business advisory/stakeholder group, it would be greatly appreciated.

Despite receiving the small business statement after public hearing after the administrative rules were adopted, Vice Chair Cundiff motioned to move the proposed amendments to the BWS Board for adoption. Chair Albitz seconded the motion, and the Board members unanimously agreed.

#### **IV. ADMINISTRATIVE MATTERS**

##### **A. Update on the Board's Upcoming Advocacy Activities and Programs in accordance with the Board's Powers under Section 201M-5, Hawaii Revised Statutes (HRS)**

##### **1. Review of the Board's current Membership and Expiration of Terms**

The following Board member terms are expiring on June 30, 2024:

- Robert Cundiff
- Mary Albitz
- James (Kimo) Lee
- Dr. Nancy Atmospera-Walch

Aside from Ms. Atmospera-Walch, who was not in attendance at the meeting, all are willing to stay on as holdovers; this includes Mr. Yamanaka who is able to be a holdover for a total of two years. Mr. Lee has one more four-year term to fill.

Vice Chair Cundiff appreciated everyone's willingness to stay on as board members. In the meantime, it would be prudent for the existing members to administratively look for new members to fill upcoming vacant seats.

Ms. Jennifer Salisbury introduced herself, stating that she is excited to have registered to be a member of this Board; she has yet to hear back from the Governor's office.

2. Discussion and Action on the Nomination of Ms. Nikki Ige for a seat on the Small Business Regulatory Review Board

Mr. Ritchie motioned to approve and submit Ms. Nikki Ige's nomination to the Governor to fill the upcoming Kauai vacancy for this Board. Vice Chair Cundiff seconded the motion, and the Board members unanimously agreed.

3. Update on Becker Communications, Inc., regarding the Board's Outreach Purposes

Board members have yet to hear from Becker Communications about filming the Board's YouTube video. In the meantime, DBEDT staff has a scheduled meeting with Becker representatives on January 29<sup>th</sup>.

4. Presentations to Industry Associations

Chair Albitz will be attending the Hawaii Chamber of Commerce "walk around the Capitol" and "after hours" event today. It was requested that Chair Albitz send Ms. Ariola a listing of the events she attended today.

5. Staff's Small Business Outreach

It was announced that staff member, Ms. Jet'aime Ariola, has been promoted from the Board's Office Assistant to the Board's Program Specialist. Should anyone have any suggestions about where Ms. Ariola can work on Board outreach efforts, please let DBEDT staff know.

**V. NEXT MEETING** - Thursday, February 15, 2024 at 10:00 a.m., via Zoom and in conference room 405 at Leiopapa A Kamehameha Building – State Office Tower – 235 S. Beretania Street, Honolulu, HI 96813.

**VI. ADJOURNMENT** – Chair Albitz motioned to adjourn the meeting and Mr. Ritchie seconded the motion; the meeting adjourned at 10:55 a.m.