

indicated that a rate increase is very much needed, that the agreed upon policy would be in small incremental increases rather than one big increase, and it will allow for any deferments. It is anticipated that the adoption of the rules will be voted on at the Department of Water's November 16th board meeting. Ms. Chang commented that the Department of Water's board meetings are very organized, and that they "cover all the bases." Mr. MacDowell recommended that the rules proceed to public hearing for input from the community; the Board unanimously agreed. Chair Woods mentioned that the Board will be flexible in its scheduling to review the post public hearing statements.

- D. Review and discussion of proposed draft of HB 1706, "Relating to the Uniform Environment Covenants Act" (DOH) – The Board reviewed the purpose of this bill, which pertains to risk-based environmental clean-up. Discussion was deferred and ensued during the strategic planning session. At that time, the Board decided to submit a letter to Mr. Davis Bernstein from the Hazard Evaluation and Emergency Response Office, Department of Health, stating that it is not within the Board's jurisdiction to rule on this specific type of issue.

The regular board meeting was adjourned at 10:30 a.m.

IV. STRATEGIC PLANNING SESSION – Chair Woods called the strategic planning session to order at 10:40 a.m., and introduced Mr. Thomas J. Mitrano as the Board's facilitator for this session.

- A. Discussion of Board members' authority and standards of member accountability including the Board's organization and its effectiveness – Chair Woods indicated that the Board is accountable to the Legislature, not the Governor, and that the Board's expectation is that the Legislature will provide the Board with assistance through certain actions. Those actions will depend on the Board's recommendations, which may be either legislative or administrative. After much discussion, Mr. MacDowell recommended that the Board extend an invitation to the "press" to attend the Board's monthly meetings.

Additional detailed information is referenced in the Strategic Planning report prepared by Mr. Mitrano.

- B. Discussion of establishing relationships with government departments – Upon review of the agency listing, it was decided that Second Vice Chair Handgis will be assigned as the discussion leader to the Department of Land and Natural Resources and Mr. Yee will be assigned as "back-up." In addition, Second Vice Chair will be replaced as the discussion leader for Department of Commerce and Consumer Affairs with Chair Woods, and Ms. Chang will remain as "back-up." All other departmental assignments will remain for the time being.

Chair Woods reported that the Big Island is currently underrepresented by one member on the Board, and that the Board is need of a professional with accounting and tax expertise as well as agricultural background. She expressed that, once again, the Board is having difficulties in getting new members assigned in an expeditious manner. Thus, Chair Woods will ask DBEDT Director Liu to assist in this process.

Detailed information is referenced in the Strategic Planning report prepared by Mr. Mitrano.

- C. Discussion of special attention on HIOSH and PUC – Chair Woods explained that she is very interested in giving special emphasis to reviewing the rules from Public Utilities Commission (PUC) and the Department of Labor and Industrial Relations' (DLIR's) Hawaii Occupation Safety and Health Division (HIOSH). It was suggested that PUC and the transportation trade associations be extended an invitation to attend a Board meeting. It was also suggested that a letter be sent to the head of HIOSH and DLIR, the Governor, and the Legislature, discussing the Board's intention to re-review these department's rules. After much discussion, Second Vice Chair Handgis recommended that the Board communicate to the Legislature's Majority and Minority Leaders and the Governor of its intent to review the administrative rules of PUC and HIOSH during the remainder of 2005 and 2006 year.

Detailed information is referenced in the Strategic Planning Session report prepared by Mr. Mitrano.

- D. Discussion of strategy for the "Small Business Bill of Rights" and the "Regulatory Flexibility Act" bills – Chair Woods and Ms. Ahn discussed the background of the Small Business Bill of Rights bill. It was explained that the Legislature didn't believe the bill was necessary as the rules are already covered in

other laws, and that the bill would “create laws.” She stated that if it was the Board’s intent to let the small businesses know exactly what their existing rights are, then the Board should consider a “publication” of the Bill of Rights, something similar to the Hawaii Taxpayer Bill of Rights. After much discussion, Mr. Dymond recommended that the Board transfer the Bill of Rights into a formal document, entitled, “Hawaii Small Business Bill of Rights;” the Board unanimously agreed.

Ms. Ahn mentioned that the Small Business Regulatory Flexibility Act bill merely amends the Act by cleaning up old language. After much discussion, Mr. Leis recommended that the Board re-send the Small Business Regulatory Flexibility Act bill back to the Legislature with the changes that have already been submitted for the upcoming legislative session; the Board unanimously agreed.

Detailed information is referenced in the Strategic Planning report prepared by Mr. Mitrano.

- E. Discussion of August 12, 2005 Memorandum regarding “Periodic Review of Administrative Rules” – Chair Woods explained that in 2003, pursuant to section 201M-7, HRS, the Board received from each State agency an impact statement on all administrative rules that have small business impact. She suggested that the Board follow-up with the agencies and recommended that a more extensive analysis of the rules be performed for those rules with which the Board referred to in the 2004 final report to the Legislature. After much discussion, Mr. Dymond recommended that the Board require an updated business impact statement for those rules that were commented on as a result of the 2003 rule submittals, pursuant to Section 201M-7; the Board unanimously agreed.

Additional detailed information is referenced in the Strategic Planning report prepared by Mr. Mitrano.

- F. Discussion of any additional items – including the voting of Board officers and members and scheduling of 2006 Board meetings – Chair Woods revealed that she will have to relinquish her position as the Board Chair and that she will eventually have to fully leave the Board due to the pressures of her new business; she would therefore like the Board to find another Chair and will help facilitate the change. After much discussion, Mr. MacDowell recommended that Second Vice Chair Handgis be nominated as Vice Chair by acclamation; the Board unanimously agreed. In addition, Vice Chair Handgis recommended that Ms. Pang be nominated as Second Vice Chair by acclamation; the Board unanimously agreed.

Additional detailed information is referenced in the Strategic Planning report prepared by Mr. Mitrano.

V. ANNOUNCEMENTS – Nothing was reported.

VII. NEXT MEETING - Tuesday, November 8, 2005; No. 1 Capitol Bldg., Room 410.

VIII. ADJOURNMENT – Chair Woods adjourned the strategic planning session meeting at 3:50 p.m.