

CONTRACTORS LICENSE BOARD
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii

Minutes of Meeting

Date: Friday, February 24, 2023

Place: King Kalakaua Conference Room
HRH King Kalakaua Building
335 Merchant Street, 1st Floor
Honolulu, Hawaii 96813

Present: Neal Arita, Chairperson
Jerry Nishek, Vice Chairperson
Paul K. Alejado, Member
Clyde K. Hayashi, Member
Eric Higashihara, Member
Joseph O'Donnell, Member
John Polischeck, Jr., Member
Maurice Torigoe, Member
Candace Ito, Executive Officer
Lei Ana Green, Executive Officer
Kerrie Shahan, Executive Officer
Christopher Leong, Deputy Attorney General
Faith Nishimura, Secretary

Excused: None.

Guests: Daniel Shinyama, Noka Oi Flooring LLC
Taher Nassib Farhat, Sunpower
Chad Okuno, Electricians Inc
Michael Lewis, MC Contracting
Peter Mickelsen, The Intuitive Home
Jim Engen, Bellingham Marine Ind
Seth Corpuz-Lahne, RICO
Rex Park
Marc Mendes, Akoni Electric
Kyle Hirakawa, Island Signal
Walden Butay
Chad Korenaga, C. Korenaga LLC
Ryan Takahashi, Hawaii Electricians Market Enhancement Program Fund
Andrew Turner, The Intuitive Home

Agenda: The agenda for this meeting was posted on the State electronic Calendar as required by Hawaii Revised Statutes ("HRS") section 92-7(b).

Call to Order: There being a quorum present, Chairperson Arita called the meeting to order at 9:13 a.m.

Amendments to
the Agenda:

It was moved by Mr. Nishek, seconded by Mr. Torigoe, and unanimously carried to approve the following amendments to the agenda:

Addition to Settlement Agreements:

Margaret S. Castillejos doing business as Homestead Construction;
CLB 2022-435-L

Minutes:

It was moved by Mr. Alejado, seconded by Mr. Torigoe and unanimously carried to approve the Applications Committee Meeting Minutes of February 6, 2023 and January 3, 2023, the Executive Session Meeting Minutes of September 22, 2022 and the Board meeting minutes of November 18, 2022 as circulated.

Committee
Reports:

1. Scope of Activity Committee:

Paul Alejado and John Polischeck, Jr., Co-Chairpersons

Regulated Industries Complaints Office

Requests a determination on whether a "B" General building contractor is allowed to advertise work that the "B" contractor subcontracts to other licensed contractors. The "B" contractor is not licensed in the contractor classifications that he is subcontracting. If the "B" contractor is allowed to advertise work that he subcontracts, is he required to state in the advertisement the classifications that will be subcontracted?

The Board reviewed the email inquiry from the Regulated Industries Complaints Office ("RICO") and related statutes and administrative rules, including but not limited to HRS §§444-7, 444-9.2, and 444-23, and Hawaii Administrative Rules ("HAR") §16-77-83.

Seth Corpuz-Lahne, Staff Attorney for RICO was present. He stated that he is not in attendance for this matter, however he is happy to answer any questions that the Board may have.

Recommendation: Based solely on the information provided, the "B" General building contractor is not allowed to advertise work that the "B" contractor subcontracts to other licensed contractors. HRS 444-9.2 states, "It is a misdemeanor for any person, including a person who is exempt by section 444-2 from this chapter, to advertise with or without any limiting qualifications as a contractor unless such person holds a valid license under this chapter for the goods and services advertised. "Advertise" as used in this section includes, but is not limited to, the issuance of any card, sign, or device to any person; the causing, permitting, or allowing of any sign or marking on or in any building, vehicle or structure; or advertising in any newspaper or magazine; any listing or advertising in any directory under a

classification or heading that includes the word "contractor"; or commercials broadcast by airwave transmission.

It was moved by Mr. Higashihara, seconded by Mr. Torigoe, and unanimously carried to approve the above scope recommendation.

Mr. Polischek arrived at 9:20 a.m.

Chapter 91, HRS,
Adjudicatory
Matters:

Chairperson Arita called for a recess from the Board's meeting at 9:19 a.m. to discuss and deliberate on the following adjudicatory matters pursuant to HRS chapter 91.

1. Settlement Agreements

- a. In the Matter of the Contractors' Licenses of Mark J. Penner and Rosendin Electric, Inc.; CLB 2015-180-L

From August of 2014 through March of 2015, Mark J. Penner and Rosendin Electric Inc. ("Respondents") engaged in contracting work on four different projects in Honolulu, Hawaii. During this time, in the course of Respondent's construction projects, several of which extended beyond the previously mentioned date of March 2015, Petitioner has alleged that no RME was physically present on the island.

If proven at an administrative hearing, the allegations would constitute violations of the following laws and rules:

As to Respondent Rosendin Electric, Inc

- HAR §16-77- 71(a)(4) (RME not present during a period a project is under construction)

As to Respondent Mark J. Penner

- HAR §16-77-71(a)(4) (RME not present during a period a project is under construction); and
- HAR §16-77-71(a)(5) (RME responsible for any violation of this chapter)

Respondents agree to pay an administrative fine in the amount of \$50,000.00.

After discussion, it was moved by Mr. Polischek, seconded by Mr. Alejado, and unanimously carried to approve the Settlement Agreement Prior to Filing of Petition for Disciplinary Action and Board's Final Order in the above case.

- b. In the Matter of the Contractors License of Lillia D. Eviota individually and doing business as Lilia Construction LLC; CLB 2022-489-L

On or about September 11, 2020, Respondent Lillia D. Eviota doing business as Lillia Construction LLC entered into a written agreement with general contractor Atlas Construction, Inc. (the "Subcontract") to act as a subcontractor to pour foundation and concrete for a residential construction project located at Wahiawa, Hawaii, 96786 for a price of \$47,742.00.

The Subcontract lists Respondent Lillia D. Eviota's contractor's license (BC-30877) for the entity Lillia Construction LLC. The entity Lillia Construction LLC does not have a contractors license.

Respondent Lillia D. Eviota doing business as Lillia Construction LLC subcontracted work under the Subcontract to Leoanrd Picanco, Jr. doing business as ITJ Backhoe Service (ITJ) at a price of \$42,967.01.

At all relevant times, Leonard Picanco, Jr. doing business as ITJ was not a licensed contractor. RICO alleges Lillia D. Eviota improperly contracted with Atlas Construction Inc. In the name of the unlicensed entity Lillia Construction LLC.

RICO further alleges that Lillia D. Eviota aided and abetted an unlicensed contractor by entering into an agreement with ITJ to perform work at the property.

If proven at an administrative hearing, the allegations could constitute violations of the following laws and rules:

- HRS §444-9 (unlicensed contracting);
- HRS §444-9.3 (aiding and abetting an unlicensed person to evade this chapter or allowing one's license to be used by an unlicensed person with the intent to evade this chapter; and
- HRS section 444-17(17) (entering into a contract with an unlicensed contractor involving work or activity for the performance of which licensing is required under this chapter).

Respondent agrees to the voluntary surrender of her contractor license (CT-30877) in the State of Hawaii. The surrender shall become effective immediately upon the Board's approval of this Settlement Agreement.

After discussion, it was moved by Mr. Polischeck, seconded by Mr. Alejado, and unanimously carried to approve the Settlement Agreement Prior to Filing of Petition for Disciplinary Action and Board's Final Order in the above case.

- c. In the Matter of the Contractors Licenses of Pua Ohana Tree Trimming & Landscaping LLC and Iasinita Finau, also known as Iasinita Sauaki; CLB 2022-112-L

RICO received a complaint alleging that Pua Ohana Tree Trimming & Landscaping LLC and Iasinita Finau ("Respondents") made an oral agreement with Derek Salomon ("Complainant"), a certified arborist, that Complainant would commit to make himself available as the arborist for any County of Maui tree trimming jobs for which Respondents were the winning bidder, and Respondents would use Complainant's arborist certifications to bid on Invitations for Bids issued by the County of Maui (the "Contracts"), in consideration for Respondent's payment of \$3,000.00 per year retainer, and the use of Complainant as the on-site Certified Arborist of the International Society of Arboriculture, holding current certification, required per the Invitation for Bids and the resulting contracts thereof. Upon being awarded the Contracts, Respondents failed to inform Complainant of the awards, failed to hire the Complainant as the on-site Certified Arborist, and failed to use a Certified Arborist while performing the contracts. On January 20, 2021 Complainant filed his Complaint in the Circuit of the Second Circuit, State of Hawaii in Derrick Salomon v. Pua Ohana Tree Trimming & Landscaping LLC, et al., Civ No. 2CCV-21-0000015 ("Salomon v. Pua Ohana") alleging the aforementioned facts, as well as breach of contract, unjust enrichment, and third party beneficiary against Respondents. On January 7, 2022, the Circuit Court of the Second Circuit entered Judgment in favor of Complainant awarding \$136,800.00 for breach of contract, \$13,250.00 in attorney fees, and \$637.31 in costs, for a total of \$150,687.71.

RICO alleges that Respondents a) misrepresented to Complainant that Respondents would utilize Complainant as the Certified Arborist for the Contracts awarded in connection with Respondents' use of Complainant's arborist certification; b) misrepresented to the County of Maui that Respondents would have an on-site Certified Arborist per the requirements of the Invitations for Bids and the Contracts; c) failed to timely notify the licensing authority in writing of the Judgment entered against Respondents in Salomon v. Pua Ohana; and d) misrepresented to the Board that there were no judgments against the Respondents in their renewal applications dated September 13, 2022 for the 2023-2024 biennium licensing period.

If proven at an administrative hearing, the allegations would constitute violations of the following laws and rules:

- HRS §444-17(1) (dishonest, fraudulent, or deceitful act as a contractor that causes substantial damage to another);
- HRS §444-17(10) (misrepresentation of a material fact by an applicant in obtaining a license);
- HRS §436B-19(2) (making untruthful or improbable statements);
- HRS §436B-19(8) (failure to maintain a record or history of competency, trustworthiness, fair-dealing, and financial integrity); and
- HRS §436B-16 (licensee shall provide written notice within thirty days to the licensing authority of any judgment . . . which adjudges or finds that the licensee is civilly, criminally, or otherwise liable for any . . . loss caused by the licensee's conduct in the practice of the licensee's profession or vocation).

Respondents agree to pay an administrative fine of \$18,000.00.

After discussion, it was moved by Mr. Polischek, seconded by Mr. Alejado, and unanimously carried to approve the Settlement Agreement Prior to Filing of Petition for Disciplinary Action and Board's Final Order in the above case.

d. In the Matter of the Contractors' Licenses of Makana Construction LLC; Frank R. Alexander II; CLB 2021-21-L

RICO received a complaint alleging that Makana Construction LLC and Frank R. Alexander II ("Respondents") exhibited poor workmanship in the construction of a new residence ("the Project").

Respondents allege that Respondents never received final payment and were being asked to complete additional work despite completing the punch list items.

RICO alleges that the contract for the construction of the Project did not contain all of the required homeowner contract disclosures.

If proven at an administrative hearing, the allegations would constitute violations of the following laws and rules:

- HRS §444-25.5 (required disclosures in homeowner contracts);
- HAR §16-77-71 (RME responsible for violations of HRS and HAR); and
- HAR §16-77-80 (required disclosures in homeowner contracts).

Respondents agree to pay an administrative fine of \$2,500.00.

After discussion, it was moved by Mr. Polischeck, seconded by Mr. Alejado, and unanimously carried to approve the Settlement Agreement Prior to Filing of Petition for Disciplinary Action and Board's Final Order in the above case.

- e. In the Matter of Contractors' Licenses of Corinthian Construction Inc. and Gary M.C. Yuh, RME; CLB 2015-137-L

On or about September 20, 2013, Corinthian Construction, Inc. ("Respondent CCI") entered into a written contract with Ku Makani, LLC to renovate a clinic in Honolulu, Hawaii at a cost of \$1,686,512.80. While renovation work was ongoing at the property, Respondent CCI and Gary M.C. Yuh ("Respondents") failed to renew their contractor licenses and Respondents licenses expired on September 30, 2014. Respondents were listed as the contractor on the building permits and continued to perform contracting work at the property after their licenses expired on September 30, 2014.

If proven at an administrative hearing, the allegations would constitute violations of the following laws:

- HRS §444-9 (unlicensed contracting)

Respondents agree to the voluntary surrender of their contractors' licenses (CT-323350, CT-12726) in the State of Hawaii. The surrender shall become effective immediately upon the Board's approval of this Settlement Agreement.

After discussion, it was moved by Mr. Polischeck, seconded by Mr. Alejado, and unanimously carried to approve the Settlement Agreement Prior to Filing of Petition for Disciplinary Action and Board's Final Order in the above case.

- f. In the Matter of Contractor's License of Margaret S. Castillejos doing business as Homestead Construction; CLB 2022-435-L

On or about May 11, 2022, Margaret S. Castillejos doing business as Homestead Construction's ("Respondent") entered into a contract with Pono Kai Resort to remodel units in exchange for compensation ("the Project"). In October of 2022, RICO received information that Floors to Your Door Hawaii LLC, an unlicensed flooring company, was performing carpet and tile installation at the Project under Respondent's supervision in exchange for compensation.

If proven at an administrative hearing, the allegations could constitute violations of the following laws:

- HRS §444-17(17) (entering into a contract with an unlicensed contractor involving work or activity for the performance of which licensing is required).

Respondents agree to pay an administrative fine of \$5,000.00.

After discussion, it was moved by Mr. Polischeck, seconded by Mr. Alejado, and unanimously carried to approve the Settlement Agreement Prior to Filing of Petition for Disciplinary Action and Board's Final Order in the above case.

2. Board's Final Orders

In the Matter of the Application for a Contractors License of David H. Fujikawa, RME; CLB-LIC-2022-002

On October 22, 2021, the Board voted to deny David H. Fujikawa's application for licensure in the "A" General engineering classification in accordance with HRS §444-11(a)(3) which states in part: No license hereunder shall be issued to: Any person who does not possess a history of honesty, truthfulness, financial integrity, and fair dealing. On December 9, 2021, Mr. Fujikawa requested a hearing to contest the denial of his application in the "A" General engineering classification. On August 8, 2022, a hearing on this matter was conducted. The Hearings Officer determined that the record is insufficient to conclude Petitioner has a history or "established record", of untimely debt payments, or a record of missing debt payments often over a period of time and concluded the record does not establish that Mr. Fujikawa fails to possess a history of honesty, truthfulness, financial integrity, and fair dealing in violation of HRS §444-11(a)(3). The Hearings Officer recommended that the Board find and conclude that the record that the record does not establish that Mr. Fujikawa fails to possess a history of honesty, truthfulness, financial integrity and fair dealing, in violation of HRS §444-11(a)(3); and recommends that the Board reconsider Mr. Fujikawa's application consistent with this recommended decision.

After discussion, it was moved by Mr. Higashihara, seconded by Mr. Alejado, and unanimously carried to reject the Hearing's Officer's Recommended Order and defer action on the Board's Final Order.

Following the Board's review, deliberation and decisions in these matters, pursuant to HRS chapter 91, Chairperson Arita announced that the Board was reconvening to its open meeting at 10:06 a.m.

Reconvene
to Chapter 92
Meeting:

The Board may enter into Executive Session to consider and evaluate personal information relating to individuals applying for professional or vocational licenses in accordance with Hawaii Revised Statutes section 92-5(a)(1), and to consult with the board's attorney on questions and issues pertaining to the Board's powers, duties, immunities, and liabilities in accordance with Hawaii Revised Statutes section 92-5(a)(4).

Executive
Session:

At 10:07 a.m., it was moved by Mr. Polischeck, seconded by Mr. Nishek, and unanimously carried to enter into executive session pursuant to HRS §92-5(a)(1), to consider and evaluate personal information relating to individuals applying for professional or vocational licenses cited in HRS §26-9, and to consult with Christopher Leong, Deputy Attorney General, on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities pursuant to HRS section 92-5(a)(4).

At 2:43 p.m., it was moved by Mr. Polischeck, seconded by Mr. Torigoe, and unanimously carried to move out of executive session and to reconvene to the Board's regular order of business.

Appearances
Before the
Board:

- a. Taher Nassib Farhat, RME
Sunpower Corporation Systems
"B" General building

Mr. Farhat requested to withdraw his application for the "B" General building classification.

- b. Michael C. Lewis, RME
MC Painting
"B" General building

It was moved by Mr. Higashihara, seconded by Mr. Nishek, and unanimously carried to defer Mr. Lewis and MC Painting's applications for licensure in the "B" General building classification pending the submittal of a revised project list verifying forty-eight months of his on-site supervision and direction of his own employees constructing buildings from the "ground-up", which includes: (1) the trades performed in-house with his own employees and the trades that were subcontracted to other licensed contractors; (2) a more detailed description of the project and the work that he supervised; (3) any projects constructing new stand-alone structures; and (4) the "Amount of Supervisory Experience" should only include the actual amount of time spent on-site supervising his own employees performing work in the broad scope of the "B" General building classification. Do not include time spent for design, ordering materials, scheduling, or downtime for rainouts or waiting for delivery

of materials, supervising work outside the scope of the “B” General building classification, or supervising subcontractors. He may include projects that date back beyond 10 years, to when he was on-site supervising the means and methods of his crew constructing buildings from the “ground-up”.

- c. Rex J. Park (Individual)
“B” General building

It was moved by Mr. Higashihara, seconded by Mr. Nishek, and unanimously carried to approve Mr. Park’s application for licensure in the “B” General building classification.

- d. Walden E. Butay, Jr. (Individual)
“B” General building

It was moved by Mr. Higashihara, seconded by Mr. Nishek, and unanimously carried to defer Mr. Butay’s application for licensure in the “B” General building classification pending the submittal of a revised project list, verifying forty-eight months of his on-site supervision and direction of his own employees constructing buildings from the “ground-up”, which includes: (1) the trades performed in-house with his own employees and the trades that were subcontracted to other licensed contractors; (2) additional projects supervising his employees constructing buildings from the “ground-up”; (3) addition of any new stand-alone structures; (4) amended “Amount of Supervisory Experience” as it should be commensurate with the number of workers (employees) he supervised, the “Detailed Description of the Work You Supervised”, and the “Contract Amount”. The “Amount of Supervisory Experience” should only include the actual amount of time spent on-site supervising his own employees performing work in the broad scope of the “B” General building classification. Do not include time spent for design, ordering materials, scheduling, or downtime for rainouts or waiting for delivery of materials, supervising work outside the scope of the “B” General building classification. experience and should not

- e. Peter C.K. Mickelsen, RME
The Intuitive Home LLC
C-13 Electrical

It was moved by Mr. Higashihara, seconded by Mr. Nishek, and unanimously carried to defer Mr. Mickelsen’s application for licensure in the C-13 Electrical classification pending the submittal of a revised project list, verifying forty-eight months of his on-site supervision and direction of his own employees performing projects in the broad scope of the C-13 Electrical classification, which includes a detailed description of his larger projects with medium voltage electrical rooms and the work that he supervised.

- f. Chad J.M. Okuno, RME
Electricians Inc.
C-13 Electrical

It was moved by Mr. Higashihara, seconded by Mr. Nishek, and unanimously carried to deny Mr. Okuno's application for licensure in the C-13 Electrical classification in accordance with HRS section 444-11(a)(2), and HAR sections 16-77-11(a)(2), and 16-77-18(a) for lack of experience.

- g. Kyle M. Hirakawa, RME
Island Signal and Sound Inc.
C-13 Electrical

It was moved by Mr. Higashihara, seconded by Mr. Nishek, and unanimously carried to deny Mr. Hirakawa's application for licensure in the C-13 electrical classification in accordance with HRS section 444-11(a)(2), and HAR sections 16-77-11(a)(2), and 16-77-18(a) for lack of experience.

- h. Chad Korenaga, RME
C Korenaga, LLC
"A" General engineering

It was moved by Mr. Higashihara, seconded by Mr. Nishek, and unanimously carried to defer Mr. Korenaga and C Korenaga's applications for licensure in the "A" General engineering classifications pending the submittal of a revised project list verifying forty-eight months of his on-site supervision and direction of his own employees performing projects in the broad scope of the "A" General engineering classification, not related to constructing a building, which includes: (1) the trades performed in-house with his own employees and the trades that were subcontracted to other licensed contractors; (2) additional projects supervising his own employees performing work in the broad scope of the "A" General engineering classification that are not related to constructing a building; (3) a more detailed description of the "A" General engineering projects and the work he supervised; and (4) the "Amount of Supervisory Experience" should only include the actual amount of time spent on-site supervising his employees performing work in the broad scope of the "A" General engineering classification. Do not include time spent for design, ordering materials, scheduling, or downtime for rainouts or waiting for delivery of materials, supervising work outside the scope of the "A" General building classification (e.g. do not include work in the "B" General building classification) or supervising subcontractors. Also do not include projects and corresponding supervisory time that qualified him for the "B" General building classification. The "Amount of Supervisory Experience" that he was credited to qualify for the "B" General building classification license cannot be used again as

supervisory experience toward his “A” General engineering supervisory experience.

- i. Marc Mendes, RME
Akoni Electric LLC
C-13 Electrical

It was moved by Mr. Higashihara, seconded by Mr. Nishek, and unanimously carried to deny Mr. Mendes and Akoni Electric LLC’s applications for licensure in the C-13 Electrical classification in accordance with HRS section 444-11(a)(2), and HAR sections 16-77-11(a)(2), and 16-77-18(a) for lack of experience.

- j. James Engen, RME
Bellingham Marine Industries Inc
“A” General engineering

It was moved by Mr. Higashihara, seconded by Mr. Nishek, and unanimously carried to deny Mr. Engen’s application for licensure in the “A” General engineering classification in accordance with HRS section 444-11(a)(2), and HAR sections 16-77-11(a)(2), and 16-77-18(a) for lack of experience.

Committee Reports:

- 2. Applications Committee Report
Lei Ana Green, Executive Officer

- a. Noka’oi Flooring LLC
Daniel E. K. Shinyama, RME
C-21 Flooring

It was moved by Mr. Higashihara, seconded by Mr. Nishek, and unanimously carried to defer Mr. Shinyama and Noka’oi Flooring LLC’s applications for licensure pending the submittal of: (1) a criminal history record check form the Hawaii Criminal Justice Data Center; (2) a signed explanation of the underlying facts and circumstances surrounding his arrests and convictions; (3) All court documents (i.e. indictments, judgments, guilty pleas), including documentation that verifies completion of any court-ordered mandates (e.g., programs, fines) and discharges; (4) signed letters of recommendation from members of the community (no relatives) who can objectively attest in writing to a firm belief that you have been sufficiently rehabilitated to warrant the public’s trust; and (5) regarding State of Hawaii v. Daniel Shinyama, Civ. No. 1CC121002020, entered February 14, 2013, (i) copies of the court documents related to the February 28, 2023, hearing pertaining to the Order Granting Ex Parte Motion For Issuance of Garnishee Summons After Judgment, including but not limited to verification of the amount that is being garnished from your wages, if any; (ii) verification of payment or payment plan for the total amount due and verification that you are current on the

payments; and (iii) if the judgment amount has been subsequently settled for less than total amount due, provide verification of that settlement, as well as verification of payment in full or a payment plan and verification that you are current on your payments in accordance with that payment plan.

- b. Acoba's Painting LLC
Jerome R. Acoba, RME
C-33 Painting and decorating

It was moved by Mr. Higashihara, seconded by Mr. Nishek, and unanimously carried to approve Mr. Acoba and Acoba's Painting LLC's applications for licensure in the C-33 Painting and decorating classification.

- c. Ashton Castro (Individual)
C-27b Tree trimming and removal

It was moved by Mr. Higashihara, seconded by Mr. Nishek, and unanimously carried to approve Mr. Castro's application for licensure in the C-27b Tree trimming and removal classification.

- d. Dyer Corp.
Stefan W. Glander, RME
"B" General building

It was moved by Mr. Higashihara, seconded by Mr. Nishek, and unanimously carried to approve Mr. Glander and Dyer Corp.'s applications for licensure in the "B" General building classification.

- e. Matsu Thornton, RME
Greenpath Technologies Inc.
C-13 Electrical

It was moved by Mr. Higashihara, seconded by Mr. Nishek, and unanimously carried to approve Mr. Thornton's application for licensure in the C-13 Electrical classification.

- f. Phillip Espaniola LLC
Brian D. Kirk, RME
"B" General building

It was moved by Mr. Higashihara, seconded by Mr. Nishek, and unanimously carried to approve Mr. Kirk and Phillip Espaniola LLC's applications for licensure in the "B" General building classification.

3. Conditional License Report
Candace Ito, Executive Officer

- a. Design Works Inc.
David A Alcos, RME
C-1 Acoustical and insulation
C-12 Drywall
C-36 Plastering

It was moved by Mr. Higashihara, seconded by Mr. Nishek, and unanimously carried to approve Mr. Alcos and Design Works Inc.'s applications for licensure in the C-1 Acoustical and insulation, C-12 Drywall, and C-36 Plastering classifications subject to semi-annual reports on financial matters.

- b. Proteus LLC
Andrew W. Devaney, RME
"B" General building

It was moved by Mr. Higashihara, seconded by Mr. Nishek, and unanimously carried to approve Mr. Devaney and Proteus LLC's applications for licensure in the "B" General building classification subject to semi-annual reports on financial matters pending the submittal of documents requested by the Board.

4. Applications Committee

It was moved by Mr. Higashihara, seconded by Mr. Nishek, and unanimously carried, to approve, defer, deny or withdraw the license applications as indicated on the Applications Committee Attachment in the following categories as attached to the meeting minutes.

- a. Request for Change in Business Status
- b. Request for Waiver of Bond Requirement
- c. Applications for Licensure

5. Owner-Builder Exemption Applications

- a. Ken Church & Joan Hidal
- b. Dorothy & Rudy Galima
- c. Yolanda Patch
- d. Robert Lane

It was moved by Mr. Higashihara, seconded by Mr. Nishek, and unanimously carried to approve b. through d., and defer a. pending the submittal of requested documents, of the above owner-builder exemption applications.

6. Examination Committee
Jerry Nishek, Chairperson

a. Contractors Examination Summaries

The Contractors Examination Summary for November and December 2022 were distributed to the Board for their information.

2023 Legislation: Relating to Procurement

a. H.B. 536

Amends the competitive sealed bidding process for construction projects to require joint contractors and subcontractors to submit their bids to a bid depository established under DCCA. Authorizes joint contractors and subcontractors to submit different bids to different general contractors bidding on the project. Requires all bids submitted by joint contractors and subcontractors to be held in the bid depository and withheld from the general contractors until twenty-four hours before the closing of the invitation for bids. Requires general contractors to use only the bids timely submitted by joint contractors and subcontractors to the bid depository in their construction bid and imposes fines for violations. Requires DCCA to adopt rules specifying how the bid depository shall operate.

On January 31, 2023, House Committees on Labor & Government Operations (“LGO”) held a hearing on this bill. The Director’s Office took the lead on this bill and submitted testimony in opposition. The DCCA believes that it would not be feasible for it to oversee matters relating to procurement for construction projects because the State Procurement Office has the knowledge, expertise, and resources to administer the bid depository and analyze data on the bids to identify collusion trends. LGO deferred this bill.

b. H.B. 542, H.D. 1

Allows bidders to clarify or correct immaterial or technical information required as part of a bid submission for up to twenty-four hours after the bid submission deadline, in addition to the time for correction or withdrawal of inadvertently erroneous bids before or after the award as permitted by rules adopted by the procurement policy board. Requires that bids for construction be opened no sooner than twenty-four hours after the deadline for the submission of bids. Defines "immaterial or technical information". Repeals 6/30/2028.

On February 16, 2023, the House Committee on Judiciary & Hawaiian Affairs (“JHA”) held a hearing on H.B. 542, H.D. 1. The Board submitted testimony expressing concerns that this measure allows unlicensed activity from the time of bid submittal to and through the time the contract is awarded.

JHA amended this measure by changing the repeal date from 5 years (6/30/28) to 2 years (6/30/25) as suggested by the Subcontractors Association of Hawaii.

Relating to Contractors

c. S.B. 371 / H.B. 558

Defines "incidental and supplemental work" for purposes of specialty contractors under the contractors law.

Hearings have not been scheduled for these bills.

Recovery Fund:

Recovery Fund Report:
Zale T. Okazaki, Esquire

Ms. Okazaki's Recovery Fund Litigation Report dated December 7, 2022 was distributed to the Board for their information.

Next Meeting: April 21, 2023

Adjournment: There being no further business to discuss, the meeting was adjourned at 2:52 pm.

Reviewed and approved by:

Taken and recorded by:

/s/ Candace Ito
Candace Ito
Executive Officer

3/22/23

[x] Minutes approved as is.

[] Minutes approved with changes. See minutes of _____.