

**Committee Members:** (11 positions, 7 = Quorum)

x	Keith Michel (General Contractors) – Co-Chair	x	Mark Nakagawara (Cities) – Co-Chair
x	Liz Anderson (WA PUD Assoc)		Irene Reyes (Private Industry)
x	Sharon Harvey (OMWBE)	x	Mark Riker (Labor)
	Bruce Hayashi (Architects)	x	Michael Transue (MCA)
x	Diane Pottinger (Water District Representative) (vacant) Fire District Representative		Olivia Yang (Higher Education)

**Guests & Stakeholders:**

	Eric Alozie		Judi Gladstone, WASWD
	Logan Bahr, Tacoma Public Utilities	x	Jack Donahue, MFA
	Talia Baker, DES/CPARB Staff	x	Monique Martinez, DES/CPARB Staff
	Randy Black, Lakewood Water District		Scott Middleton, MCAWW
x	John Bowman, Lake Haven Utility District		Roe Paulalasi-Gonzalez
	George Caan, WA PUD Association		Paul Richart, Alderwood Water & Wastewater District
	Bill Clark, WA PUD Association	x	Ryan Spiller, WA Fire Commissioners Association
x	Joren Clowers, Sno-King Water District Coalition	x	Josh Swanson, Labor
	Nancy Deakins, DES/CPARB Staff	x	Jerry Vanderwood, AGC
x	Linda De Boldt, WA Cities		Abigail Vizcarra Perez, MetroParks Tacoma
	Brandy DeLange, Assoc. WA Cities	x	Rob Wettleson, Forma Construction
	Roger Ferris, WA Fire Commissioners Association		Maggie Yuse, Seattle Public Utilities
	Judi Gladstone, WASWD	x	Janice Zahn, Port of Seattle

**The meeting began at 11:33 a.m.**

**Welcome & introductions**

Co-Chair Keith Michel welcomed everyone to the meeting.

Ryan Spiller from the Washington Fire Commissioners Association introduced himself, noting that he was attending in place of Roger Ferris. Jerry Vanderwood from the Associated General Contractors of America introduced himself. Diane Pottinger re-introduced John Bowman, from the Lake Haven Utility District.

**Review/approve agenda**

Janice Zahn mentioned that the Local Government Committee in the House wanted an update on the SB 1621 Review on June 10. She requested adding to the agenda time to summarize what they'd like to make sure is discussed before the committee.

It was added to the agenda as House Local Government Committee Reporting.

*Sharon Harvey moved to approve the agenda, seconded by Michael Transue. The motion was approved by a voice vote.*

**Approve meeting notes (4/9/2024)**

*Michael Transue motioned to approve the meeting minutes from April 9, 2024, seconded by Josh Swanson. The motion was approved by a voice vote.*

**Feedback Report on 4/9 Action Items**

Monique Martinez pulled up the list of action items that she had prepared and sent out on April 10. Co-Chair Michel mentioned that he had not seen any written feedback from the committee on the action items, and that he wanted to open the floor up to discussion in this meeting.

Michael Transue stated that MCAWW and labor wanted to see what the owners thought before putting pen to paper on bill language. He also noted that he and Mark Riker's report was included in Monique's earlier email and wanted to ensure that people had read that.

Sharon Harvey asked about the exclusion of emergency language and wanted to know the thinking behind not including it in the language around the \$300,000 limit.

Co-Chair Mark Nakagawara noted that emergencies allow cities to use their own crews to address immediate needs. Given rising costs, the current \$150,000 limit will not cover enough work to have things done effectively.

Michael suggested that the statute include language specifying that cities can use their own workers on those projects. Mark Riker stated that Labor would have some issues with that, but they would potentially support the change if the workers were guaranteed to be paid prevailing wages.

Co-Chair Nakagawara questioned if Michael and Mark were concerned about municipalities being able to address infrastructure issues in a timely manner. Mark stated that he wanted to ensure workers were paid appropriately. Michael agreed with that concern, but noted the need to ensure in-house work is done fairly. Co-Chair Nakagawara stated that all maintenance staff were union members. Mark added context, indicating that they do not have the same pay requirements for prevailing wages as contracted workers.

Co-Chair Michel mentioned that the in-house workers will have an expanded scope under Prudent Utility Management, regardless.

Linda De Boldt spoke up and characterized the situation as a tightrope to walk between emergency and non-emergency situations. She added that care is necessary, and limits must be applied, either through reporting or otherwise.

Diane asked Co-Chair Nakagawara where they report the 10%, he mentioned that it is reported to the state auditor. She asked him to show an example, since she's gotten questions about how to actually do the reporting. Linda added that she was involved in reporting in the past and that they are not difficult.

Co-Chair Michel reminded the committee of their timeline. Measures would be going into effect soon and the original goal of the committee was to add some clarity to the definitions in the bill itself. The most important bit of feedback was "changing 'or' to 'and'," which fell short of being passed as a recommendation by CPARB. The original bill will go into effect this summer. He said that the committee would not make any progress in modifying the existing bill until actual language is suggested.

Mark spoke up and said that a prevailing wage requirement would help with getting this language added. Michael noted his impression was that he would gather feedback from public owners on whether the items included in his and Mark's report were acceptable. If owners are in favor, then he can work on drafting legislation around that.

Co-Chair Michel then asked for feedback from public owners on bullet point 3, involving the \$300,000 limit.

Linda spoke up, presenting an example situation of a water main break. If crews can replace 100 feet of pipe instead of 20 feet of pipe, that is where an emergency action will also include a little bit more work that is necessary to ensure the job is done right. For improvements, they still turn to contractors. Co-Chair Nakagawara pointed out that there was an opportunity that presented itself, since there has already been a disruption. The goal is to get the problem solved once, rather than several times in emergencies.

Mark stated that while he has appreciated this perspective, he cannot allow for un-hindered scope creep and cannot sign off on using the emergency to do work that was scheduled for the next year. Inclusion of a prevailing wage clause would help reduce harm.

Sharon added that the small companies she represents could be cut out on this and left behind by municipalities' crews performing work outside of their initial scope. Co-Chair Nakagawara stated that availability and mobilization is not the same. Mark jumped in, noting that it is instead a matter of scope creep. Co-Chair Nakagawara clarified that the goal is not to take work away, but rather that public entities have a duty to ensure that tax dollars are not wasted. Linda suggested that language be added that defines "exigency" in a way that is stronger and narrower.

Co-Chair Michel asked if 10% is a proper limit for municipalities. Linda said she should ask other second-class cities, but she thinks it should be fine. It's what larger cities use, and the reporting process is not too difficult to pull off. Diane said that managers were not worried about the amount at all, but rather that they were curious about how they would go about reporting that. John Bowman said that, as part of a utility district, the difficulty is in the reporting process and tracking the number, not the amount itself. Infrastructure around that would have to be built. He also mentioned that a \$300,000 limit is a good cap, but that it would need to be adjusted for inflation.

Diane suggested accounting for inflation permanently, but Mark said that Labor would not be able to sign off on that.

Janice commented that CPARB has done a lot to ensure they are not an oversight body and wants to make sure that CPARB is not performing the oversight work themselves.

Co-Chair Nakagawara said that first-class cities would not care about the 10% limit, since they already adhere to it. The question is more with public utilities and smaller cities. Cities that exceed limits could publish in the Daily Journal of Commerce, keeping a line of communication open and ensuring that cities do not abuse the system.

Ryan Spiller asked how the 10% fits in, and Co-Chair Michel answered that the \$300,000 acts as an additional limit for use of this option. He said it is a good limit on bad actors who would otherwise exploit the system to perform their work.

### **House Local Government Reporting**

Janice asked the committee to capture their underlying values to inform their recommendations.

Michael stated that there have only been a couple of meetings since their last report. If they managed to get another meeting in before reporting back, they could provide a more substantial update. Janice agreed and said to think of this as a good opportunity to educate CPARB on the subject for updates down the line.

Co-Chair Michel mentioned that they do have time before updating CPARB.

Michael brought up the suggestion of starting off with larger municipalities and wanted recommendations on how to best do that. He then asked Co-Chair Nakagawara to provide examples, who indicated that he would not draft anything new. Michael said his takeaway was that there was interest in a \$300,000 limit, a 10% limit, and that he and Mark Riker could work on this.

Janice asked the group to outline their shared values, and expressed the hope that as a committee they could find common ground. Co-Chair Nakagawara said that there was no fundamental agreement, and that is why the group's work has been difficult.

Mark said that he hoped that Labor would be able to work with owners on this, and if there was no understanding on the emergency circumstances then he may have to push for a complete repeal of the bill.

Janice stated that the committee needs to find a basis to come to an agreement, otherwise they will have to do majority agreement and minority reporting. She added that she appreciates the committee staying engaged and finding a pathway forward.

Linda volunteered to put together a document for the next meeting, outlining shared values, contrasting values, and finding limits within the bill. Janice and Co-chair Michel both agreed that would be worth doing.

Liz Anderson spoke up and reminded the committee that they were in agreement that these do not apply to public utilities, and that is why she has not said much during the meeting.

**Establish next meeting agenda**

**Meeting adjourned at 1:01 p.m.**

**Action Items**

- 1) Mark Riker and Michael Transue will work on drafting language for the committee to consider.
- 2) Linda De Bolt will put together a document for the next meeting, outlining shared values, contrasting values, and finding limits within the bill.