

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)	x	Steve Russo (UMC, Specialty Contractors)
x	Linda De Boldt (Cities)	x	Mark Riker (Labor)
x	Bruce Hayashi (Architects)	x	Michael Transue (MCA)
x	Sharon Harvey (OMWBE)		Vacant, Private Industry
	Roger Ferris, Fire District Representative		Vacant, Higher Education
x	Diane Pottinger (Water District Representative)		

Guests & Stakeholders:

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

The meeting began at **11:31 a.m.**

Welcome & introductions

Co-Chair Keith Michel opened the meeting and welcomed the committee.

Review/approve agenda – Action

Sharon Harvey moved to approve the agenda, seconded by Steve Russo. The motion passed with a voice vote.

Approve June 4, 2024, and June 18, 2024 meeting notes – Action

The committee will review the June 4 and June 18 minutes for approval at the next meeting.

Feedback Report on Action Items – Discussion

Michael Transue said that he, Josh Swanson, Mark Riker and Scott Middleton had a harder time than usual reviewing Linda De Boldt's changes since it was hard to see original edits and how they related to first class cities. He sent their edits out as draft amendments in an email to the committee.

Diane Pottinger asked if the "and" statement for (3) on the SHB proposed revision meant there was a set of checkboxes that were necessary to check off. Brandy DeLange answered that the language put forward was specifically for cities and put forward by cities. The checkboxes would not apply to utilities. She invited utilities and fire districts to put forward their own language.

Michael said he appreciated Brandy's clarification, and reminded the committee that PUD statutes would not change. They seek to have consistent language for cities, fire districts and otherwise, to simplify the process.

Brandy said she appreciated that but has heard repeatedly that PUDs do not want change around this. She stated they are looking to put forward statements in good faith and hopes that the other sectors can do the same.

Minutes prepared by Jack Donahue, Maul Foster & Alongi, Inc.

Diane stated that she cannot support it as it stands unless tax revenue is cleared for PUDs.

Co-Chair Michel noted he wasn't sure that tax changes were within the scope of the committee. Diane said it was included in the language, but Brandy clarified that the gas tax would act as a safeguard upon cities who exceed their limitations. All cities receive gas tax, not public utilities.

Brandy said the purpose of the language was to put forward what cities were comfortable with, within their purview.

Diane said that she wrangled John Bowman to join the call, and wondered how tracking would work when it comes to PUDs reporting their finances.

John said that utility districts were self-funded by rates and added he couldn't really see what financial incentives could be put in place since the funding mechanisms were so different.

Michael asked if grants or other factors contributed to district budgets at all. John answered that they come on a case-by-case basis, and that grants normally apply to economically depressed communities. Diane added that responses to disasters may involve taking out federal loans.

Abigail Vizcarra Perez said that bad returns from auditors work as an incredibly strong disincentive. Their findings work as an accountability mechanism on their own.

Michael said this committee has been flirting with those ideas and added that historically there have been hearings around changes to bid law that come from the state auditor's adverse findings.

Co-Chair Michel clarified: this gas tax measure came in as a means of defining a disincentive for the specific actors, trying to ensure that they do not go outside the bounds of the limit. He felt like there was some agreement on this limit.

Diane noted she and other utilities agree with the 10% limit but cannot support it without defining a means to report it, particularly without an incentive or disincentive.

Michael said that there was an RCW statute that already required them to report in some fashion. Diane said she represents a small utility with spending that doesn't even approach \$50,000, and that the audit she underwent was incredibly detailed. Since they already take part in the audit, she wondered how else they would be enforced.

Co-Chair Michel added that the thresholds do not matter with regular activity, it's rather when they take part in a capital improvement project.

Diane asked whether they are used on regular projects that require that no in-house work was done up to that point. She was looking to find places where it can be enforced. Co-Chair Michel answered that the intent of SHB 1621 wasn't to drastically change everyone's ways of doing maintenance, and that should not be the intention of the work here either.

Diane noted that matters of payment and budget on in-house work are already subject to the scrutiny of the state.

Co-Chair Michel asked Mark, Michael and Josh if they had reviewed Linda's language, in particular the definition of exigent circumstances and the examples provided.

Mark said that they reviewed the language, and though they were in a place where they could get further clarification, this conversation had taken it in a different direction. He asked Michael if he wanted to ask those clarifying questions

Michael said he approved their updated draft as an acknowledgement that emergency and exigency were different things. He had thought Linda's four examples were good ones, and that there needed to be some limitations to ensure work does not go beyond exigency. He said that there were some acceptable items in Linda's draft but suggested changing the language around "urgent" to "exigent" public needs to avoid confusion around the term "emergency."

Linda thanked Michael for sharing and said that she will commit to a close reading of Michael's email. She included the word "urgent" to specify urgency without declaring something an emergency. She suggested adding some limiting language to address that concern.

Michael asked the committee to review sub-sections C and D. They defined exigency using the definition of emergency, while removing the strongest language. The language denoted immediacy and changed the "or" for the loss qualifier to "and." They also outlined work that fell within the realm of exigency.

Co-Chair Mark Nakagawara said that cities were already shackled enough by the 10% limit, and that the definition of exigency changed nothing from the definition for emergency, since only a few adjectives were changed. Michael answered that this was a new definition in addition to the word emergency. Mark said that in the past at CPARB, the task was taken on with the assumption that there were emergency situations where it was necessary to have in-house work performed. He has been arguing against the expansion of thresholds.

Co-Chair Nakagawara said that cities have contracts with unions, while Mark said that no unions are remotely the same. The legislation is statewide. Co-Chair Nakagawara stated that work wasn't being taken away from his members, rather that it was ending up with other members. Mark retorted that there is a major compensation difference between independent workers and in-house workers, and his motivation here was to ensure people were compensated fairly.

Co-Chair Michel reminded everyone of the context: SHB 1621 passed, and the poor definitions from the original bill are being practiced already. He appreciated Michael and Mark's attempt at creating circumstance, but they need to close the breakages on circumstance between them. He tasked them to come up with language of their own, or to tweak Linda's language to reach something that they could support.

Linda showed her language on the proposed definition of exigency. She stated that the two definitions are actually pretty close in line with one another, and that they just need to merge them into something that works.

Michael, Mark and Josh will look at Linda's definition and build one that works for everyone.

Brandy suggested that once they send out a tracked changes version of Linda's document that they all work off of the same document, which could build some consistency across the board.

Ryan Spiller stated that he understood where the committee was, but that many of his clients were having a hard time understanding the nature of applying restrictions after the bill has already passed. He said he is trying to work with them, but that it is difficult.

Michael said that the group let the bill go forward, but that they agreed it was bad policy and that Prudent Utility Management was considered a "trainwreck waiting to happen" if applied outside of the realm of public utilities themselves. The committee's intention was to find a change or a substitute to this piece of policy.

Ryan added that he and Michael worked together on legislation that his clients agreed to which was hung up and died in the Senate. Most of what his clients do, additionally, is not emergency work. Fire districts utilize volunteers for work that is well under the limit.

Liz Anderson voiced her support for Brandy's idea on combining a document, suggesting that it be an action item.

Establish next meeting agenda

Welcome & Introductions

Review/approve Agenda

Review/approve minutes from 5/21, 6/18, and 7/2 meeting

The meeting ended at 12:55 p.m.

Action items:

- The committee will review the minutes from 6/4 and 6/18 and send in edits, to be incorporated and voted on at the next meeting.
- Linda De Boldt will take the original RCW and build a tracked changes version to provide to everyone, to be used as a single document.
- Michael Transue, Mark Riker and Josh Swanson will review Linda De Boldt's document and see if they can bring their priorities closer together.
- Michael Transue, Mark Riker and Josh Swanson will review Linda De Boldt's definition of "exigency" and build a version that fits their priorities as well.