

**Committee Members:** (11 positions, 6 = Quorum)

|   |   |   |   |
|---|---|---|---|
| x | Keith Michel (General Contractors) – Co-Chair | x | Mark Nakagawara (Cities) – Co-Chair             |
| x | Liz Anderson (WA PUD Assoc)                   | x | Diane Pottinger (Water District Representative) |
| x | Linda De Boldt (Cities)                       | x | Steve Russo (UMC, Specialty Contractors)        |
| x | Roger Ferris, Fire District Representative    |   | Mark Riker (Labor)                              |
| x | Bruce Hayashi (Architects)                    | x | Michael Transue (MCA)                           |
| x | Sharon Harvey (OMWBE)                         |   | Vacant, Private Industry                        |
|   |   |   | Vacant, Higher Education                        |

**Guests & Stakeholders:**

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

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

**Welcome & introductions**

Co-Chair Keith Michel welcomed everyone to the meeting and thanked them for attending. He thanked the committee for their work so far and noted that they were approaching the finish line.

Travis Nelson from the Washington Public Utility District Association introduced himself, he would be listening in on the day's meeting.

**Review/Approve Agenda – Action**

*Michael Transue motioned to approve the agenda, seconded by Bruce Hayashi. The motion passed through a voice vote.*

**Approve Meeting Notes from 8/27 – Action**

*Michael Transue motioned to approve the meeting minutes, seconded by Linda De Boldt. The motion passed through a voice vote.*

**CPARB update – Discussion**

Co-Chair Michel reported back to the committee about their update to CPARB. They did not provide a deliverable, rather they gave an update on where the committee was at in the process.

Diane Pottinger asked how much time was spent on discussion, Co-Chair Michel said that CPARB didn't really have questions, and they appreciated the update.

Michael Transue asked for the date of the CPARB meeting where the report would be provided. Co-Chair Michel answered that it was October 10<sup>th</sup>. The next meeting will be the vote on the report and the finalized language.

### **Proposed final amended 1621 Review**

Michael walked through the new version of the suggested language document, which has been cleaned up but needs more incorporation. The document was included as a pre-read.

Liz Anderson had highlighted subsection 4 for Michael, to change the RCW referred within to 39.04.154. He apologized for the oversight and added that it would be amended.

He referred to Section 2, the language there would instead push public entities to the CPARB-approved best practices.

Diane jumped in and said that water and sewer districts were not supporting any changes to that section and said that had been made clear.

Co-Chair Michel asked Diane if water and sewer districts would support any changes to what was included in the \$300,000 limit, she answered that they didn't want to make any changes to it. She thought it was fine for cities to change their own situations, but that water and sewer districts were fine with the bill as it was currently written.

Co-Chair Mark Nakagawara spoke up on behalf of Cities, who provided their language for themselves, rather than being a broad change. He said he represented a municipality that does produce electricity and serve water, but that was not true for all first-class cities.

Roger Ferris spoke up on behalf of fire districts and said that they were in the same position as water and sewer districts on that.

Michael said that prudent utility management (PUM) is too vague to use for contractors, and that it meant water, sewer and fire districts could have their own definitions.

Ryan Spiller also spoke on behalf of fire districts and said he thought water, sewer and fire districts were very different from cities.

Co-Chair Michel asked if anyone from second-class cities could weigh in. Linda De Boldt said she found PUM hard to define for cities, and that the language worked for second class cities. She added that she thought the next step was to go and communicate with other second-class cities to see how the language worked for them.

Co-Chair Michel said as a general contractor representative that he was disappointed to hear the position that public entities have offered. He added that it would be difficult to move forward without consensus.

Linda suggested providing a document that would recognize the differences between cities and water, sewer, and fire districts as an explanation for the lack of consensus. Co-Chair Michel said that would be a possibility.

Co-Chair Nakagawara questioned why it was necessary since general procurement rules would already apply in that situation. Michael agreed, but he said it wouldn't hurt anything either way.

Josh Swanson added that he concurred about the language on PUM and described it as "mission critical" for his support.

Michael continued reading through the document. In the section on documentation, Linda indicated she thought it was better to let municipalities develop their own systems. They continued reading and correcting a couple of technical issues.

Linda noted that the language around first-class cities was slightly different from the second-class cities language. She mirrored the intent of that language on the second-class cities language.

She also pointed out that they needed to change subsection 3 to subsection 2, and to incorporate some of the section 2 subsection 2 language as well.

Co-Chair Michel thanked Michael for running through those changes.

Diane asked if there would be a draft of the report at the next meeting and Co-Chair Michel answered that there would. Diane said that if the language were specified around cities, they might have consensus.

Abigail Vizcarra Perez spoke up and asked what the next steps in the process were. Co-Chair Michel said that SHB 1621 was in effect already, so the committee's work was to find common ground on modifying 1621. With CPARB's approval of the language, they'll look for a bill sponsor and bring it to the legislature.

Joren Clowers reiterated Diane's point on PUM and that they don't support changes to the section on water, sewer, and fire districts.

Ryan agreed with Joren and reiterated his point from last meeting, that they could endorse the language for cities if it was specified that water, sewer, and fire districts were able to use PUM.

Nancy Deakins shared her screen and showed SHB 1621 bill language. She asked if the PUDs had any problem with striking the language on lowest responsible bidder. Michael asked if the committee had already voted on it. Nancy answered yes but that the part didn't end up going.

Diane said that PUM and the extra reporting requirements were the problematic part for PUDs.

Joren said that they had voted on it and identified that it was redundant. Roger said he would look at that, since he wasn't present for the discussion. Roger and Ryan will come to the next meeting with comments on that section.

Joren added that if prudent utility management were removed from the statute, water, sewer, and fire districts would offer an amendment in front of the legislature to try to adjust it.

Co-Chair Michel thanked Nancy for reminding the committee of the importance of consensus on moving forward. He asked the water, sewer, and fire districts for their thoughts on the \$300,000 limit.

Diane said that they operate with the \$300,000 threshold as it is. She pointed out that she had an original example from their first meeting, where the district has small zone projects for less than \$50,000 that she would like to perform in-house. Randy Black, representing a larger utility, had provided examples as well. As it stands, with the extra reporting requirements, she wouldn't be able to get behind that.

Co-Chair Michel asked if she would support the definition and limit without the reporting requirement, and Diane said she might personally but that she would have to confer with her executive director and lobbyist.

Michael pointed out an RCW on reporting, and said that water, sewer, and fire districts were already required to report work. Diane said that the extra item could make a financial statement take longer, which could result in a finding.

Ryan said that districts raise thresholds in line with inflation, and that his colleagues did not find this out of bounds. Co-Chair Michel said he appreciated that perspective, but that the threshold doubled at the lowest value. He added that the bill makes the jobs of general contractors harder as they work to bring small businesses into larger projects.

Sharon Harvey spoke up and said she agreed with Keith, Michael, and Josh's points.

Abigail said she thought of this as a data collection issue, as well. She added there were ways to collect data without it being punitive. She said that she's an advocate for the proposed reporting, with the caveat that they pull away from punitive action. She suggested creating anonymity around the data.

Nancy asked if there was no intent to do anything with those annual reports, whether they were necessary.

Josh added some clarity for the punitive piece, saying that they removed the actual punitive piece from the language. He said he was curious to see if the language would be able to happen before the legislative session.

Co-Chair Michel said that the goal was to circulate a draft before the end of the week. He reminded the committee the importance of consensus.

### **Establish Next Meeting Agenda**

Welcome & Introductions

Review/Approve Agenda

Review/Approve 9/17/2024 Meeting Notes

Feedback Report on Action Items

Next Meeting Agenda

**The meeting ended at 1:00 p.m.**

**Action items:**