

**CAPITAL PROJECTS ADVISORY REVIEW BOARD
PROJECT REVIEW COMMITTEE**

**Northwest Carpenters Facility
First Floor Conference Room
25120 Pacific Highway South
Kent, Washington**

April 27, 2017

9:12 a.m.

Draft Verbatim Transcript of Meeting

MEMBERS PRESENT

John Palewicz, University of Washington (Chair)
Jim Burt, King County (Panel Member)
David Beaudine, Heery International (Panel Member)
Jon Lebo, University of Washington (Panel Member)
Rob Warnaca, Mortenson Construction (Panel Member)

Mike Shinn, Shinn Mechanical (Panel Member)
Bill Dobyons, Lydig Construction (Panel Member)
Curt Gimmestad, Absher Construction (Panel Chair)
Linneth Riley-Hall, Sound Transit (Panel Member)

STAFF, GUESTS, PRESENTERS

Talia Baker, Department of Enterprise Services
Valerie Gow, Puget Sound Meeting Services
Tim DeVries, Okanogan County Public Utility District
John Christensen, Christensen Associates Inc.
Heidi Smith Okanogan County Public Utility District
John Grubich, Okanogan County Public Utility District
Alyssa Englebrecht, Columbiana
Mitch Friedman, Conservation Northwest
Chris Fisher, Citizen (Telecon)

Nancy Deakins, DES
Dan Boettger, Okanogan County Public Utility District
Robynne Parkinson, Thaxton Parkinson PLLC
Steve Houston, Okanogan County Public Utility District
Thomas O'Keefe, American Whitewater
Joseph Enzensperger, Columbiana
Andrew Thompson, CPARB
Greg Bafunda, Citizen (Telecon)
Megan Hooker, Hydropower Reform Coalition
(Telecon)

Welcome and Introductions

Good morning, my name is John Palewicz and I'm the current Chair of the Project Review Committee (PRC) and I'm calling this meeting to order (9:12 a.m.). A couple of ground rules. As you have noticed, we are on WebEx and a conference call and we are also recording the meeting so when you talk - this is to the applicant and also to the panel members - please state your name first to help track who's making comments for the record. Today, we have one item on the agenda of one project presentation. I will hand this over to the panel in just a minute and the panel will introduce themselves. We also are anticipating more public comments than we normally have at these presentations, so there is a sign-up sheet by the door and we ask that you list your name on the sign-up sheet so we can make sure that we go through that for the public comment section of the presentation. Those on WebEx and on a conference call if you would like to be signed up to make a public comment could you somehow call out your name or number or something so we can have some sort of order for the public comment section. So, hearing no response, I assume that nobody wants to sign up at this time to make a public comment. There will be opportunities to do that. I think that is enough of the logistics if you will. The thing that we all forget is to call out your name when you make a comment or start to talk. So, I am going to turn the meeting over to the panel to Curt Gimmestad who is the Chair of this application panel.

Thank you John. Again, my name is Curt Gimmestad and I'm the Chair of this particular panel for reviewing the application. I represent general contractors on the PRC membership. We are here today to listen to the presentation and take into consideration the application for the project approval to use the Design-Build alternatives contracting procedure for the Enloe Hydroelectric Project for Public Utility District #1 of Okanogan County. The PRC panel

has eight members who will take into consideration the information that we receive as it relates to the project approval process in 39.10, specifically 39.10 – 280 of the RCW. I want to go through a couple of logistics as we get going as part of the agenda. Again, as John mentioned, I'll remind everyone to identify yourself when talking by giving your name and speak clearly, so that we can all hear you as well as those on the phone – those participating on the phone. I will quickly run through the agenda. We are anticipating 20 minutes of application presentation. When that has concluded, the panel has 15 minutes to ask any questions of the applicant. Upon the conclusion of that, we have set aside some time for public comment. We are limiting the comments to two minutes. I am not the referee, so we would appreciate the two minute window timeframe and we will manage the public comment as we get to that stage. We will then close public comment and refer to panel deliberation and determination and then will turn it back over to John for meeting conclusion. All of this is roughly about an hour and 20 minutes. In a moment, we will introduce the panel members. In fact, let's start there - let's do an introduction of the panel members.

Again, my name is Curt Gimmestad representing general contractors. David Beaudine, Heery International, I represent construction managers. Bill Dobyns with Lydig Construction, representing general contractors. Mike Shinn, Shinn Mechanical, representing specialty and subcontractors. Linneth Riley-Hall, Sound Transit, representing general owners. Jim Burt, King County, representing the counties. Good morning, I'm Rob Warnaca representing general contractors. I'm Jon Lebo, University of Washington, representing higher education.

Panel Chair Gimmestad: At this time are there any panel members that need to recuse themselves on the information that will be reviewed? Seeing none, we will move on. I want to clarify that all panel members have read the application and have submitted questions and responses to those questions. Can I get a nod or a yes from everybody? All panel members nodded yes. Okay, we will now move on to the agency presentation. You have 20 minutes and it is all yours.

Okanagan County PUD Project Presentation – Enloe Hydroelectric Dam Project – Design-Build

My name is John Grubich. I'm the General Manager of Okanogan PUD. At my far left is our General Counsel, Heidi Smith. Next to her is our consulting engineer, John Christensen. Next to John is Robynne Parkinson, our outside counsel to this project. To my immediate left is one of our Commissioners, Vice President of our Board, Steve Houston. To my right is Tim DeVries, the Director of Engineering and Operations for Okanogan PUD, and to his right is Dan Boettger, our Director of Environmental and Regulatory Affairs. The only comment that I will make as just a point of a reference is the 69 comments that have been posted to your website as of yesterday. When we look at them, 32 are from our customers and 37 are from people outside of our service territory. Of the 32, when you look at our 16,000 customers they represent 2/10ths of one percent of the people we serve in Okanogan County. Just as a general point of reference. With that and to allow as much time as we can for our presentation and your questions, I will turn it over to Tim DeVries.

Okay, so, Tim DeVries, Director of Engineering and Operations. Here are the topic items we will be covering today that John talked about. Our PUD – we were formed in 1939 and we have a Board consisting of three elected officials serving six-year terms of a staggered year basis. Today, we have about 100 employees, approximately 16,000 customers with over 20,000 meters. We purchase energy from Bonneville from Douglas County, Wells Hydro – the first dam below the federal (unintelligible), and Energy Northwest Nine Canyon Wind Farm. We have an excellent bond rating of Moody's rating us at A1 and Standard and Poor's at A. When we look at the project, you can see that it is right up against the border with Canada, quite a ways north. It is located on the Similkameen River about 3-1/2 miles from Oroville. The river flows to your left side of the screen and to the right just below Oroville into the Okanogan River and then down into Brewster where it flows into the Columbia about 50 miles away.

The district, you know, has looked at a number of options over the years for this project – you know. Do we keep the dam itself as is, do we look at removal, or do we look at repowering it? We have weighed that before we applied for a license. We weighed while we applied for the license and we weighed it after we got the license confirmed. But, back in 2007, we decided to repower and applied for a FERC license. That process was long and arduous and it was complex. Dan Boettger, over here, our Director of Regulatory Affairs, did an awesome job informing the agencies and taking us through that complex process. And, we were successful in getting the license in July 2013. There were 500 prevention mitigation enhancements measures that came out of that process that we are responsible for currently during construction and for the life of the license. We did get a 50-year license from FERC. That is pretty unusual in this day and age and we are pretty proud of that.

The history of the dam is kind of interesting. Eugene Enloe in 1919 and 1920 built the dam. It was the third power project on the river. He spent \$350,000 back then. It is a 54-foot tall, 315-foot long dam. Eugene, you know, he tended to error on the side of caution - more is better and so even though you can see that it had an arch, a gravity arch construction. He built it very thick. We affectionately call it our chubby gravity arch dam as it is over 30 feet thick at the base and it tapers up. Eugene turned around and sold the project in 1923 to Washington Water Power and subsequently the PUD bought it in 1945. In 1958, O&M costs were driving the project and we decided to decommission it.

The new power plant will be on the opposite side of the river of the existing. There are a number of things that need to be done to build this project. The addition of crest gates and outlet works modifications on the dam itself, a new intake channel, power intake, penstocks, the power plant itself, and a small substation to interface with our distribution system. Another detail here – I'll just point out. The crest gates are here, they raise up to give a little bit more of a reservoir as there is not much of a reservoir here. There is a challenge here with these crest gates as they are made to work on straight structures not curved structures, so there is a challenge there. We have an intake structure here, the power deflector, power intake, penstocks, power house, and the exhaust for the tailrace. When you look at the intake of the tailrace, they look very straight forward, but I can assure you that they are very complex and must balance fish, sediment, flow, pressure drop, and things like that. That will be an interesting discussion with both the agencies and the designer to optimize that - very complex. Other features include public recreation, enhancement at the dam itself, lower takeouts, picnic areas, and improved access. Right now, access to the dam on that side of the river is problematic. Also, above the project a minor slab – we are doing enhancements for BLM. Fish habitat is going to be improved downstream. We've got gravel bed augmentation going on and also a five channel project where we are going to have wells installed to bring up fresh cool water. Warm water is a problem on the Similkameen and the Okanogan during the summer months and this project will enhance that.

A number of goals that the district has are listed here. I'd read them to you but they are there. Our org chart is the same as our initial application. The PUD does not have Design Build experience but we have construction experience and we have project experience. We are used to doing Design-Bid-Build, the traditional way that we are required to do as a PUD. So, as part of this process, we hired Robynne to help us understand how to apply for the Design-Build application and we have had John Christensen on board at Christensen Associates who has done multiple Design-Build projects. And, as you go out through the RFQ process you will uncover the contractors who have Design-Build experience also.

The project budget is unchanged from the initial application.

Activity schedule – this has been updated from the initial application and we have – and you can see PRC approval was December 1 of 2016 and subsequently revoked in March. We were approved, so we went forward with our RFQ and published that on December 13, 2016 and was hoping to get six qualified contractors, and was pleasantly surprised when we had nine that actually submitted Statement of Qualifications and they are listed

here. We reviewed those and shortlisted and sent off RFPs to four of those contractors February 17. The proposals were due the 31st of March and we have received those proposals and currently have them in hand.

We are here today making our second presentation and we intend to award a contract assuming a favorable ruling here in mid-May. Robynne, it's all up to you at this point.

Robynne Parkinson: Thanks, I'm outside counsel for the Port – not for the Port, but for the PUD and want to focus everyone on why we are here. The original panel – I think several people were here, actually approved this, and approved it unanimously and I actually have the scoring sheets from the original panel as a handout for you guys. I only have seven of them so you guys can – these were on the website. And, what they looked at of course is what you need to be focused on not whether this project is or the merits of the project itself, but does this project meet the statutory requirements under RCW 39.10.280 (of whether the) Alternative Contracting Procedure will provide a substantial fiscal benefit or the use of the traditional method of awarding contract in a lump sum to the lowest responsive bidder is not practical. So, you are looking at this method versus Design-Bid-Build, and I will – a couple of things that Tim talked about is – well first, the original panel unanimously approved and made comments that really, this is the only way they could go forward. They have gone through their risks very carefully. They have very carefully considered all of the risks. One of the things that Tim didn't talk to you about is the fact that they looked at removal of this project and we have got Steve Houston here who is a Commissioner to show the dedication that they have towards this project, and if on their best day assuming that everything goes in their favor, and without the environmental mitigation – what you didn't hear is there was an old – this is a 100-year old dam and there is an old mine that for many many decades left mine trailers and they are all sitting at the bottom of that dam in the sediment. If this dam is removed, the environmental risk is profound and it's unknown, but it's pretty profound. Removal of the dam – the cost of that is most likely on a great day a little bit more than energizing and revamping the dam.

So, the Commissioners have spent a long time in front of the Federal Energy Regulatory Commission (FERC) to talk to them about the merits. That's the agency that gets to decide the merits. They have a FERC license and they have a time issue. In order to be able to comply with that FERC license, they actually require a design builder to come in and they have to start construction. There's plenty of things that they can do before July 9 to be able to do that. One of things that was an issue in that procurement was hey, how can you guys, as a design builder assist us with phasing this project so that we can comply with the FERC license. Are you experienced in understanding the requirements to comply with one of these extremely complex licenses? There are 500 mitigation requirements that they have to comply with. I want you to think about doing that Design-Bid-Build. The part of the management plan that was reviewed and not evaluated yet, they haven't done anything other than what – they stopped. All they have done is received the proposals and they have not yet been evaluated. But, in receiving and going through the proprietary meetings we were in and just finished the proprietary meetings when we got the letter from the PRC establishing this hearing. That was one of the things that we explored with these design builders. Can you help? One, do you have experience with these environmental conditions, which are robust? Do you have experience with multiple stakeholders such as Native tribes, such as the varying environmental stakeholders in this that will be watching everything and having approval authority? Do you have experience complying with the FERC license, such as this, so that we can in fact meet that requirement? And, what are your ideas? Tell us what you think and what would be a great plan to do this and have you gotten that approved through FERC? Those were the types of things that we asked them to propose on because we need that collaboration between a constructor and a designer to be able to figure out how to make this project work in a way that will comply with this incredibly complex situation. Because, not only is this a powerhouse and a dam, there are a number of very – even in this room, you will see that's there a number of issues involved that they absolutely have to be pristine on and they need help in doing that.

So, substantial fiscal benefit - I think that Design-Build is actually the only way that they can actually do this. The risk involved in having to do this Design-Bid-Build is pretty substantial too. The proposed project meets the requirement for using alternative contracting procedure. Okay, let's look at that. Highly specialized and a Design-Build approach is critical in developing the construction methodology. I think I have just shown you that. Now, you have seen me many times and I do the majority of the Design-Build projects in this state and I mean it's just for non-certified public entities that is certainly true and I don't know of one that is more specialized than this. I have sat in those proprietary meetings and I have been in the construction industry for a long time. These people know exactly what they are doing. And, the shortlisted folks are - and they provided proposals and some of the questions you asked legitimately was what is the industry's take of the contract. Well, I'll tell you. They all provided proposals - it's AECOM, Poyry, Tetra Tech, McMillian Jacobs who have a very specialized niche in small hydropower projects, as does Mountain States. We have the full gamut of extremely large and very specialized design builders coming in anxious and happy and excited to do this project. It was a fabulous procurement! It was not a situation where we were out there making people propose.

I could talk about the other two justifications, but, you know they have got that. The other question that you have to ask is do they have the right experience for a qualified team. A public body is not required to have Design-Build experience in order to ask this panel to do a Design-Build project. They have to have Design-Build experience in order to get certified, but that's not what we are talking about. Most of the folks that come before this agency or this body asking for project approval do not have Design-Build experience and so they hire somebody like me and I am very, very involved in this project. And, here is John, I don't know if you can tell the gray hair, but the man's done a number of these projects and he is a hydro expert, and he also has folks working for him who have substantial Design-Build experience and we have gone out and requested and shortlisted folks who also have the potential Design-Build experience. I would like to know who has more design build experience than this particular team because I would like to meet them and talk to them a lot.

Sufficient personnel with construction experience. These folks actually do a fair amount of construction. They have 100 people working for them. They are not an unsophisticated entity; they simply just haven't done Design-Build yet. Written management plan with clear logical lines of authority - they absolutely have that. They have gone through the FERC licensing, that's much more difficult than you guys (PRC)! And the continuity of the project management team - we're all here for the long-haul.

A couple of things, I have read every single comment and I will tell you what reason they all look alike is because there are emails out - hey call in and this is what you need to say, the Okanogan PUD has not shown public support for their project. While yah, you know what, they just don't have the time to go out and put it on our Facebook page to call and give everybody a script, but they absolutely have public support. Mr. Houston here is the...

A citizen participating via telecon exclaimed, "There is no public support!"

Robynne Parkinson: Excuse me sir, this is not your time!

The same citizen exclaimed again, "no public support."

Mr. Houston here is tasked as an elected official and he is...

Panel Chair Gimmestad: Those on the phone please limit, as we will open public comment in a while. This is the applicant's opportunity to speak.

Robynne Parkinson: Thank you. They have the obligation to determine the validity of this project and that is within their obligation. Anyway, there is a script and the reality is we are here as a courtesy to the PRC. The PUD has relied on the absolute approval before and they have gone through a very expensive procurement process. They will be required to pay honorariums based on a fully good faith approval. The PUD hasn't done anything to come back here. The reason we are back here is because a few people objected over the notice requirement and I still think the notice requirement was just fine. We had every right to go forward based on the previous approval and there is a substantial question as to whether you could actually withdraw that approval. But, we are here as a courtesy. We are here because it is expeditious and we are here because we all believe in this process. But, this is something that is a substantial hardship on the PUD to have to come back here and stop their procurement process when there is a time deadline involved when they have done absolutely nothing other than follow every procedure plus appear before the PRC including unanimous approval. I think that is it and I think we are done.

Panel Chair Gimmestad: Okay, thank you. At this time, we will open it up for panel questions to the applicant.

Mike Shinn: I'm a specialty contractor. I was just curious, as I know it is not a requirement, but was just wondering how many dams are you guys involved with?

John Grubich: There is a single dam in Okanogan County, which is the Enloe Dam that we are proposing to generate power from. We are involved with Wells Dam, which is owned by Douglas PUD and is on the border of Chelan County, Douglas County, and Okanogan County. We get 80% of that dam and we have the ability to get an additional 22% out of that dam in the future. We are also a slice customer of the Bonneville Power Administration and a block customer. Slice means that we get the run of the river, the same as what we will be getting at the Enloe project and what we get out of the Wells project. A block is a purchase of a certain fixed amount regardless of the distribution.

Linneth Riley-Hall: So, in regards to experience, I get that the county does not have Design-Build experience and that is fine as long as you do bring on consultants that have that experience. I have seen where Robynne's commitment to the project was going to be 10%. Correct me if I am wrong on that. If the county doesn't have experience and Robynne's commitment to the project is only 10%, then where are you getting the Design-Build experience from the other 90% of the project?

John Grubich: I think we answered that in one of the questions. John Christiansen, I think provided a chart of the project group. Robynne's component of it is obviously the legal side of it and once we get through the procurement process and the contracting process, she will help shepherd us on some of the issues, but most of it will come down to construction management. There will be Tim, it will be John Christensen, and it will be myself to some degree, and it will be Dan Boettger to some degree and Commission oversight.

Robynne Parkinson: And so Linneth, that 10% is 10% over like an entire year that I have spent a substantial amount of time working with the PUD, and with respect to the timeframe that I am working with them on, there is a lot of time to set this up and work with them. I have been facilitating every single meeting. I have drafted and worked with them very closely to draft all the procurement documents. For the contract documents, I will be very involved with respect to the negotiation; but honestly, as you know, Design-Build projects usually don't have a lot a need for the lawyers once they are all set up. I'm there to consult, but that is John Christensen who has a substantial amount of Design-Build experience and actually the implementation (of) specifically hydroelectric Design-Build projects. So, that's John.

John Christensen: On that information that we submitted, we have got Tim and Dan from the PUD, a project manager and an assistant project manager both spending half their time, which is good, which means one guy is

away and the other guy is available. I am in there for half my time assisting with the management of the project. There are three other gentlemen, Tom McCreedy, who is an XMK guy and has been involved in about five Design-Build projects. Dan Martel, ex-Vice President of Barnard Construction from Montana has been involved in private Design-Build in Washington at Snoqualmie Falls, and Paul Carson, who is more of an engineering type would be very involved in the engineering phase and less involved in the construction phase. So, that's kind of the key group and you know we can bring in other people as we need them but that is the support team.

Linneth Riley-Hall: So, in terms of the county not having direct experience, what is the county doing to gain any experience in Design-Build so that you can adequately oversee the project?

John Grubich: So we don't have experience in Design-Build but we have experience in running construction projects. We are at the tail end of a 26 mile transmission line that took us nearly two decades to permit and litigate and build. We will commission that line at the end of this month or at the end of this summer. We built a 34,000 square-foot office building and dedicated that in 2010. We have converted every single meter in Okanogan County to automatic metering infrastructure. We did that and completed that in 2010. We have addressed the complexities of responding to the two largest wildfires in the state of Washington - the Carlton Complex Fire in 2014 and the Okanogan Complex Fire in 2015.

Robynne Parkinson: John, if I could add in there. I don't know if you have ever been to Okanogan County but you can't get there from here. It's a long drive and these are very busy people. One of the things that I very much believe in is owner preparation. And if you have ever been involved in a Design-Build project as an owner, for me I spend a lot of time talking to them making sure that they are ready to do Design-Build. As you know, I am only one of the instructors for Design-Build contracts and management for the Design Build Institute of America in the country. I am one of four and I instruct that class more than anyone. In addition, I drafted the class and I am working very closely with them and they are getting a huge amount of Design-Build education. They don't have time to go through the certification process but I can guarantee it is the same process and they are getting a lot of information. It's very important to make (sure) that they understand how to do this well and that is part of what I provide as a Design-Build consultant. They get that. So, in addition to their project management experience, which is substantial, it is one of the reasons why people hire me.

Panel Chair Gimmestad: David, then we will run down to Jim and then to Rob.

David Beaudine: I just had a question regarding the funding in your application you know for permit and planning and permitting costs that is funded through the district's operation budget and funds for design construction through short-term credit. One of the questions that was asked was the \$10 million line of credit. I noticed that in the overall project budget an estimated design and construction cost of \$15 million with overall project cost of \$42.5 million. There appears to be a gap there and I am curious as to the funding sources.

John Grubich: Okay, Tim touched that in one of his slides. We have an A rating from Standard and Poor's and an A1 rating from Moody's and we have 70% equity and 30% debt, which here in the bond market is a favorable position. Typically, it would take us 90 to 120 days to go out and issue bonds. We are not going to issue bonds until we get to that point in the construction where we know the project will be completed within three years because the IRS has a three-year time limit on utilizing tax exempt bonds for that purpose. So, it's a matter of having enough money in cash and in short-term lines of credit to start this project so we can finish the design and if we need to, we can go to the bond market and finish the financing.

Robynne Parkinson: John, if I could add to that – I have been involved in two approvals through the PRC where the public agency... If this is a Progressive Design-Build project where the public agency received approval and one of the tasks was to go to the public and get a bond vote. So, it is actually relatively common in Progressive

Design-Build for a public agency to utilize the assistance from the design builder to help to get to that known amount before they go further and finish the bond. All the design builders understand that and they have the capacity to be able and go and get those bonds but because of the timelines, this is not the appropriate time to get them.

John Grubich: Just to finish my answer, the other option that we asked for in the RFP was for those potential contractors that might want to design, build, finance, operate, and maintain. So basically, we could convert that to a power sales agreement, the same as we do with our Wells project and the same as we do with Bonneville. So, we are getting that as well and we will step back and say does it make sense for us to go borrow money through our traditional sources, does it make sense to use this Design-Build process for them to go get money and we pay it on a monthly basis on a per megawatt per hour basis or a pay for pay passive method. So, that's a flexible financing.

Panel Chair Gimmestad: Jim, and then Rob. State your name.

Jim Burt: Two questions. If I have read some of the comments correctly, you have applied for an extension on your permit one time and the current extension is running out in July of this year and you have to be under construction. So what does that mean for you guys for the kind of construction activities that have to take place?

John Grubich: Well, that really is a fair question and it's not a PUD question, but you are correct there is a timeline that we have to trigger the construction process. What we are doing is a dual track of trying to figure out the best process to get to that trigger by July 9th. We have reason to believe that it is possible. The other problem is that we have gone to our federal legislators and have asked them because it will take a congressional act for authority to grant extensions. It is not uncommon, and in fact, it is unusual not to have that occur as it has happened in a case like this where we are diligently pursuing construction of the dam. There is a federal bill issued by Senator Murkowski, Senate Bill 724, that has some generic language that actually grants FERC authority to extend up to three more times or 10 years.

Jim Burt: So, the second question has to do with the funding source and reading some of the comments in here, the payment back for the bond that you would issue is based on rates. Is that correct? Do you pay the bonds on the rates that you get back from the customers?

John Grubich: It is built into our rate base. Yes, that is just the nature of our business when you work on a not for profit basis, your costs have to be recouped through your rates. The variable that we have been looking at is back in (the) 2001 timeframe, we bought into the Nine Canyon Wind project. At that time, the cost was three to four times more expensive than our cost for power, but it was such a small portion of our portfolio, rates didn't have to go up very much. Those bonds are being paid off in 2023 and there is a time where we have tried to minimize rate impact to our rate holders. That principal and interest drops off and new principal and interest at about the same time comes back on and we should be able to hold rates relatively stable.

Jim Burt: I guess my question is as I read some of the comments correctly, the ability to generate power is on the flow of water coming through, and I believe Ecology has a restriction based on the aesthetics on the flow and it wasn't going to be determined until after you have built it. Is that correct?

John Grubich: Yes, that's right, but it's not un-typical in a FERC license. After the project is done, they are going to want to see aesthetic flows. The critical point of Ecology's litigation that we had to go through on that was the Pollution Control Hearing Board, which was affirmed by Thurston County Superior Court and Division 2 Court of Appeals. Their criteria is aesthetic flows are going to be important but fish habitat is more important. So, when we look at it you have to look at the (unintelligible) control.

Robynne Parkinson: Your questions go to the very core of how complex this project is and you are only reaching the tip of the iceberg for the number of regulatory approvals that this agency has had to go through and they are not balancing the cost of – they are balancing the cost of power, but also the cost of removal and remediation of unknown environmental impacts. That's another factor than none of these people have – they don't have the background, they don't have the knowledge, and these guys are really sophisticated in figuring out how to go forward with this.

Jim Burt: What I was getting at - ultimately, was if in fact that the flows are reduced and you couldn't increase your rates, how would you pay back the bonds if you weren't able to generate the power?

John Grubich: I will defer to Commissioner Houston on the rate issue. But, our Board has the absolute authority to raise rates, and in some sense, a fiduciary duty to bondholders once we go to the bond market to make sure we stay in a stable financial condition. The modeling that we have done, by the time we get this project built and some of our other obligations paid off that we are going to be able to maintain fairly stable rates for Okanogan County ratepayers. But, that's his decision and it really isn't this board's decision, it's our board's decision that are elected by our ratepayers.

Steve Houston: I'll add a little bit on that. We are a three Commission Board, locally elected, and we are a self-regulating utility. We set our own rates and we have full authority to literally change our policies in 24 hours with proper notice. We are not regulated by the Utilities Commission. I would love to get into great depth, and I will tell you of the three Commissioners, we are all new. I am the longest-serving at four years. So, if there is any concern that there hasn't been public input on Enloe, I can certainly clear that up. I ran four years ago and this was one of the key issues. I have dived into this project. A little bit about my background - I'm a petroleum engineer and I have done projects in cryogenics of \$20-\$23 million personally. Two fast-track projects in Alberta, and so I have extensive construction experience in the private industry doing fast-track covert projects. I'm not saying this is a great project by any stretch of the imagination, but you have to fit it into our system. The electrical grid has been described as the most complex machine in the world, and our little portion of it is very complex. As John mentioned, we get power from a number of different sources, and that all has to balance out and you have to understand this is a distributed energy resource. This is similar to a rooftop solar in a much bigger size, of course. It goes directly into our distribution system. If you follow the industry, that's an upcoming thing as we look at potential catastrophe events. And we lived through two of them, the two wildfires. But if you look at something like Cascadia Fault you know, energy sources going onto the grid at distribution level are very valuable. So, you have to take that into account. Is it more expensive than what we can buy on the spot market, yes, if you don't know the difference between energy and capacity you might think that. I appreciate you being here and serving on boards because as part of my job, I have to do that also. I serve on the board of our nuclear power plant here in the state and I have to understand how that incorporates into our system so when we take that into a refueling outage, like we will next month, what does that do to the hydro system? When we had a real shortage of water back in the early 2000s and when it was running, it saved our system when we weren't making power from hydro. I guess my point being is that it is very complex and I have had the luxury of being retired and spending a lot of time on this project and I have run to ground every alternative that the opponents have given to me for Enloe and I drive these guys crazy because I do that. But, I still believe in this project, and I think we have the expertise to do it and I am comfortable that we can bond the money and not put our ratepayers in jeopardy. Now, in two years if I choose to run again, the people will clarify that with me.

Panel Chair Gimmestad: I would like to get some more questions if I can. Rob?

Rob Warnaca: I represent general contractors. So, I have two questions as well. The first is really a follow-up to the funding availability question. I heard you say that you (have) a credit rating that affords you access to short-term lines of credit that you can access prior to bond sales at which point you have a guarantee on the

project and you know exactly what the ultimate contractual and long-term procurement method you are locked in. So, I guess I would like hear though that you feel you have access to enough funds prior to bond sales to pay for the things that you will incur, like design, potential long lead equipment procurement, and things that will need to be released and paid for prior to that point in time. Can you speak to that please?

John Grubich: Maybe I wasn't clear; we have a \$10 million operating line of credit that we can access today. It had been in place for four years and we have used it, and we have cash reserves today that make that number somewhere around \$20 million, So, we could spend if we had to about half of the project before we go to the bond.

Rob Warnaca: Okay, thanks, that is what I wanted to hear, as I wasn't certain if the \$10 million was still available.

John Grubich: Yes, it is.

Rob Warnaca: My second question was just related to the design build management qualifications. I feel personally very comfortable with the contracts and RP procurement knowledge that Robynne brings and I am looking past the validation period and even past design when you are more in the construction delivery. When I look at your attachment C other than Mr. Christensen, who shows the last Design-Build project he's been involved with being almost seven years ago, it looks like Mr. Martel and Mr. Carson have no Design-Build expertise and Mr. McCreedy's last Design-Build delivery was seven years ago – excuse me, Mr. Christensen shows five years ago. So, I believe that is acceptable as long as Mr. Christensen, in my opinion, as long as Mr. Christensen is committed and devoted to the project. I guess my concern is what is the contingency plan if you are not available 50% of the time, as I don't see anyone else really on the roster that has that Design-Build delivery expertise to carry you through construction. So, can you talk about a little bit about who would back you up?

John Christensen: Well during the actual construction process, we'll have an onsite person, which isn't shown on this list who has yet to be identified who would have the onsite Design-Build experience because as I explained, there is a lot of environmental monitoring, there is a lot of things that will require oversight as blasting going on near the existing dam. And, really the environmental and work quality things that require oversight because ultimately we have the responsibility (unintelligible). So, we will have an onsite person doing that. If for some reason I become unavailable, I would be replaced with someone who has the qualifications. The hydro industry is a small industry and one of the reasons we don't see a lot of projects being built right now, as most of the projects out there are retrofits, they are fixing up things that are 50 years old, 60 years old, 70 years old and putting in new units at existing facilities. There are very few new dams getting built. So, most of my work today is fixing spillways, putting in valves, all sorts of little jobs because that is really what the industry mainly needs instead of building new projects.

Chair Panel Gimmestad: Okay, I am going to ask one last questions then we will keep this thing moving. So Jon?

Jon Lebo: This is a follow-up question for Mr. Christensen. So, what do you see as sort of the top or largest issues or challenges on this project and how do you see them being mitigated?

John Christensen: Well, cost and schedule I think. There is a schedule risk problem which is being considered now but also cost risks is a major concern, especially with the amount of environmental issues that have to be managed. You know, working in a river is a not easy and you have a lot of unmanageable issues like flow, water quality, and other things. But, I would say two major risks are cost and schedule.

Jon Lebo: So, what kind of mitigation would you use as part of this process? Why do you see this process as helping to mitigate those?

John Christensen: Well, on the schedule, well the first thing is to get the contractor input early because I think the cost and schedule risks are larger if you go with the Design-Bid-Build route where you don't bring the contractor onboard until after you actually figured all those things out. It becomes the subject of needing funds. So, I think the Design-Build process would certainly address cost and schedule. On the cost side, the Progressive Design-Build process, which we are using, is designed to give the contractor specific amount of time so that by the time he gives you his price, he has had full disclosure of all the things and all the site investigations. So, I think that speaks to the cost risk and also to the schedule risk because by the time he gives you that information, he should also have a pretty good idea of how long it is going to take to do what he has to do. So, I think it is ideally suited for the Progressive Design-Build. We talked about going out with a fixed price Design-Build, but we just think basically you would never hold anyone to the price if they gave you the price without full disclosure and there is a lot of work required to sit down and review those costs. So, I think it is well suited for Progressive Design-Build. There is all the usual, you know, ways that we manage costs but we could call meetings and look at the schedule and all that stuff. That's all built into the proposal.

Jon Lebo: Very good, thank you.

Panel Chair Gimmestad: I am going...

Person on phone: Excuse me, can the public speak?

Panel Chair Gimmestad: I am closing questions right now and we are going to open this up to the public comment period. So, I'm going to start with those on the phone. How many do we have on the phone right now?

Hi, this is Greg Bafunda from Tonasket, Washington.

Panel Chair Gimmestad: Is it Greg or Craig?

Greg Bafunda: Yah, I'm just calling in to say that the PUD is clearly not shown that there is public support for this project. Um, you know I keep seeing a complicated project and they haven't proven that they have the staff necessary to build this. The Design-Build companies don't have the experience either and the ratepayers of Okanagan County - we don't want our rates to go up. So, I think you should deny this project.

Panel Chair Gimmestad: Okay, thank you. I just want to make a reminder that public comment is two minutes and brief. Is there anyone else on the phone that wishes to make a public comment for the application? Okay, I am going to move to the WebEx opportunity. How do we want to manage that?

Nancy Deakins: The WebEx folks should be able to hear, but I also send them a text.

Panel Chair Gimmestad: So, are they going to be able to speak to their comment or are they going to type it out to you? So, we are going to open up to those on the WebEx for any public comment at this time.

Nancy Deakins: I am also asking them.

Panel Chair Gimmestad: Okay, give them a moment here to make sure we have our bases covered. Okay, we will come back to that as well, so I am going to open it up to those in the room. Do we have a sign-in sheet? So again, this is Curt Gimmestad, Chair of the panel. So we are going to start with Thomas O'Keefe.

Thomas O'Keefe: Yep.

Panel Chair Gimmestad: Okay, can you come up to the front of the table here and state your name. Yes, you can sit there, thank you.

Thomas O'Keefe: Good morning, I am the Stewardship Director for American Whitewater. We were a party to the letter submitted by 10 organizations of the state representing recreational boaters, fishermen, river conservationists, thousands of citizens of the state. I have over 25 years of experience in hydropower licensing. I have worked in several dozen hydropower licensing proceedings. Washington State has more hydropower than any other state in the country. Personally, I have been a party to settlement agreements to develop and encourage hydropower development, as it is an important source of energy. But, we have testified to Congress as recently as last month on opportunities for new development. But, that development has to be in the right place and this is the wrong project in the wrong place. And um, I realize that today you're limited to, you know, evaluating this project under RCW 39.10.280 and not necessarily the detailed merits of the project. But, I'm asking you to conduct this review with a real critical eye. And, there is two areas in particular when you look at that statute that I think are relevant here and the applicant identified these as well, that these top two risks are the cost and the schedule. And I think I would respectfully disagree with Mr. Grubich on the timing issue. The license was issued in July 2013. Under federal statute, you have two years to commence construction and you have the option to extend that an additional two years, which they did to July 9, 2017. And then um, the federal energy Regulatory Commission in issuing that extension said they can't bring in any further extensions of time for commencement of private construction. The licensee must satisfy all outstanding pre-construction requirements, which they have not done. And, Mr. Grubich identified the fact that Senator Murkowski has a bill as 724 and I assume that you, like me, are paying attention to the news these days, and the idea of that Congress is going to like quickly act on some legislation for this project I think is highly speculative.

Mr. O'Keefe was informed that his time had expired.

Thomas O'Keefe: Let me just finish with a finding. I would also respectfully disagree with Mr. Grubich that it is standard practice to not resolve what the instream flow issues are before the project is constructed, and that's a highly questionable issue with respect to project operations and revenue potential on this project. Thank you.

Panel Chair Gimmestad: Joseph Enzensperger.

Joseph Enzensperger: I have been with the Okanogan County, a 250 mile trip and I think it is very unfair that I be limited to only two minutes when so much as been said by the PUD today and so many things that I would like to respond to. Robynne has said, and it is impossible to fully make a testimony here with two minutes. I request that I be allowed to extend the time to make some further remarks. First, Okanogan County which the PUD represents, is one of the poorest counties in our state with 25% of our people receiving food stamps and 20% of our people are retirees on a fixed income. We have 20% Native American population with low income and we have 15% Hispanic which are working class orchard people who are all making minimum wage or barely above. So, we are a very very poor county and this project is absolutely astronomical in its expense. The first thing that should come to your mind was when the first license was issued the price was \$31 million. Our utility's expenses, contractors, attorneys, and so forth have already spent \$14 million just to procure the license. The previous license, the one issued in 1996, cost \$2 million. So, there has been a huge amount of money already spent. But, one of the justifications for the project now is that they have spent so much money we can't

turn back; we've already gone too far. It's not fair for the ratepayers to be looking at \$14 million sunk costs and then add to that \$42 million estimated cost, which could be much much higher in the Design-Build process because we don't even know the actual price and we won't know until the contract is awarded and \$10 million has already been spent. So, it's unfair to have a project that started out at \$31 million and it is \$60 million. And, the output of the dam is so small that it will only provide one quarter of the electricity for the small town that I live in of 1,500 people in the surrounding area.

Joseph Enzensperger was informed that his time had expired.

Joseph Enzensperger: Excuse me ma'am, I'm going to continue, please. Two minutes is unfair. Chairman, could I make some serious comments here or is (this) just a sham?

Panel Chair Gimmestad: You need to wrap it up.

Chair John Palewicz: Two minutes for public comments.

Joseph Enzensperger: Impossible, I'm just going to hit the highlights here.

Panel Chair Gimmestad: You have 30 seconds.

Joseph Enzensperger: The public body lacks the experience to do this project. We are a distributed PUD and we have no Design-Build experience. Dan Boettger has never managed a hydroelectric project; he has only submitted requests for proposals. Tim DeVries is not, Mr. Grubich is not, and our three boardmembers on our PUD Board, two of them are cattlemen. Mr. Houston here has the most experience of all and is the most credible boardmember we have. The other two have a high school education only and they are expected to rule on this decision. It is completely unreasonable. The economic harm to Okanogan County will be a mess. This project is expected to lose \$2.5 million a year and that loss will be borne by the ratepayers.

Joseph Enzensperger was informed that his time had expired.

Joseph Enzensperger: Mr. Christensen built a hydro project in Hawaii that cost \$6 million and it produces 3 megawatts of power. This one will cost \$60 million and produce 4.5. It is a terrible investment and it makes no sense at all to build this. The environmental impacts should be discussed because we are a fish state.

Panel Chair Gimmestad: I am moving on and will call up another person that would like to make comment.

Joseph Enzensperger: I would like to be on record that I was cut-off after driving 250 miles and very unfairly and this panel here does not want to hear the truth on the Enloe Dam project. Enter that into the record please.

Panel Chair Gimmestad: Thank you. Alyssa Englebrecht.

Alyssa Englebrecht: First, I just want to say for the record that the PRC's operating bylaws state that you can have two minutes unless additional time is necessary. So I think that additional time is necessary for Joseph in this case. Second, I just wanted to address two comments made Mr. Grubich and Ms. Smith. Mr. Grubich stated that there was only 69 comments submitted. I believe the Board obviously knows that there were 164 comments submitted. Ms. Smith, I think mischaracterized the comments as being scripted as you know because you read them. Many of them were different and there were very few that were alike. And, although many of the comments were about the merits of the project, many of the comments specifically address the Design-Build issues and I strongly encourage you to consider all of those comments. Next, as we have been discussing and as

you have addressed with the PUD, the PUD is not qualified to manage the project. They may have consultants that are qualified, but the PUD itself is not qualified, and that is a statutory requirement. Next, is that the PUD has to show a substantial fiscal benefit. I don't think that a substantial fiscal benefit has been shown to using a Design-Build process. I think that they have simply outlined why a Design-Build process generally would provide a substantial fiscal benefit, but not why this particular project would see a substantial fiscal benefit from the Design-Build process. And lastly and I think most importantly, is the requirement that the PUD has the necessary and appropriate funding. Clearly, the public has told you that they don't think that the PUD has the necessary and appropriate funding. The PUD itself has shown you that they don't have the necessary and appropriate funding. And lastly this project is not in the public interest. All of these comments submitted and all these people on the phone – they are showing you that this project is not in their interests.

Alyssa Englebrecht was informed her time had expired.

Alyssa Englebrecht: The PRC has an obligation to serve the public interest under RCW 39.10.200. I think this project does not serve the public interest and approving it as being a Design-Build project is not in the public interest. Thanks.

Panel Chair Gimmestad: Thank you. Mitch Friedman. Someone advised that Mr. Friedman had to leave. Panel Chair Gimmestad said there are no other sign-in requests for public comment. Is there any other people who wish to make public comment or on the phone who have not made public comment.

Aah, hello?

Panel Chair Gimmestad, Yes, who's this?

This is Chris Fisher and I'm going to say right now that the acoustics are horrendous if you are on the phone. That (it) sounds like there are four to five people talking and there is a lot of feedback, and I can't really hear what is being said or any response. But, I guess I'm up for my testimony. Is that correct?

Panel Chair Gimmestad: Yes, if you have a public comment please state your name.

I do, okay, my name is Chris Fisher. I'm a ratepayer for Okanogan County and I have been in a conference here in Wenatchee and I got to see a presentation by Jim Waddell who is a civil engineer for the Army Corps of Engineers. He is retired and he put together a presentation in regards to the lower Snake River dams. The cost currently – the benefit cost to ratio for those lower Snake River dams is .15 to 1, which means making 15 cents on the dollar. Those four dams produce a total of 11,000 megawatts of power and they are considered uneconomical. My question is – if those are considered uneconomical, how can a project that will only produce a maximum of 9 megawatts be economical? Furthermore, right now Bonneville Power Administration has an integration queue of putting together a solar field that will produce 2,000 megawatts. They recognize the transformation of hydropower. Now there's another opportunity that is going to be cheaper and more economical – it is solar. This area in the upper Columbia is built for solar. We have high elevation we have a lot of sunlight on an annual basis. So even Bonneville Power Administration is making the conversion – it's more cost effective. The second thing and next thing that I want to talk about is the outer basin customer that formally allowed the Mid Columbia PUD to make a lot of money on because they could sell their cheap power to places like California and Nevada. Right now, California is developing a solar field.

Chris Fisher was advised that his time had expired.

Panel Chair Gimmestad: Please wrap it up as the two minutes are up.

Chris Fisher: That will produce 900 megawatts of power. That's not going to be available as an out-of-basin customer anymore. Finally, I want to talk about the projected cost of constructing this dam is \$31 million I think as it's the last number I saw. The likelihood of them hitting that mark is unlikely as there will always be cost overruns, there is going to be change orders. I can tell you right now that the hatchery at Chief Joseph Dam developed by the Colville Tribe – the initial cost estimate was \$38 million and it cost them \$71 million to construct. So um, the likelihood. What's that?

Panel Chair Gimmestad: We are done. I'm sorry your two minutes are up and we afforded some leeway, so we are going to wrap up your public comment. Is there anybody else that has not had an opportunity to provide public comments that wishes too?

Yes, I would like to.

Panel Chair Gimmestad: Please state your name.

Megan Hooker said she is a Pacific Northwest Coordinator for the Hydropower Reform Coalition. She would like to follow-up on the comments of Thomas O'Keefe to elaborate on the point that the only way for the PUD to get an extension of time to commence construction of their project under the FERC license is through an act of Congress. It is not with (in) their administrative possibilities here. Congress recently marked up seven bills related to extending the deadline for commencing construction of FERC projects across the country. The Enloe project was not included as one of them. So, they are running out of time. The other point that I disagree with I believe was a statement that John Grubich made about how it is standard practice that flows be established after the project has been built within the FERC process. This is not the case.

Panel Chair Gimmestad: Is there anyone else on the phone that wishes to make public comment that has not or WebEx.

This is Chris Fisher again. Am I allowed to make another comment?

Panel Chair Gimmestad: No.

Chris Fisher: Okay.

This is Nancy Deakins, staff of DES, and for the record, no one on WebEx indicated they wanted to give public comment.

Panel Chair Gimmestad: Okay, we will close the public comment period for this meeting and will open it up to panel discussions and deliberation.

Mike Shinn: I know that we are hearing a lot of public comment you know as I have been on the PRC since it was initiated. I just wanted to reiterate to everybody on the panel that our job here today is to evaluate and approve or disapprove based on the RCW. Whether the dam produces enough power to generate, I mean we are not the judge and jury, there are other entities in the state that you have to go to, and it is not here. We are not open for public comment right now we are talking between each other. Right?

Panel Chair Gimmestad: Yes

Mike Shinn. You know I feel that you know and I'm just going to say this – I'm a contractor and I didn't hear one person say, and I heard these guys tell it, you can find the right design-builder and he could come in here and he could finance this job, he could build it, he could have dozers on the ground in July and he could go. He could guarantee that he's going to do this job and he doesn't have to, but he might operate it and it would be fine then. If he doesn't make any money, nobody is going to worry about it. Your rates are not going to go up. I mean, there are contractors that do that, that's what they do for a living. So, nobody is looking at that, they are looking - oh my rates are going up, but we can't focus on that anyway, we have to focus on what the RCW says. And that is what we have to base our decision on.

Panel Chair Gimmestad: Okay, thank you. Rob.

Rob Warnaca: I just wanted to share with the committee that I read all 164 comments. I like, Mike, tried to read them in the context of what the PRC is commissioned to do, and that is to uphold RCW 39.10 related to sections 280 and 300 for alternative delivery and specifically Design-Build delivery. Extensions of time granted by authorities having jurisdiction for construction starts is, I believe, outside of our committee's review and I am looking at the proposed Design-Build delivery schedule. It looks appropriate to me assuming that they have all the abilities from other authorities to commence construction. I also would not comment on either direction of what the fiscal benefit is of building the plant rather the fiscal benefit of Design-Build delivery. And, based on the complexities of the project, I would have a hard time believing that a Design-Bid-Build delivery method would offer a greater fiscal benefit than Design-Build especially in a Progressive Design-Build delivery method where all the specifications, performance criteria, and long-term operations of the plant to be considered collectively before a contractor (contract) is made. So, I just wanted to share those thoughts with the committee.

Panel Chair Gimmestad: Okay, thank you. State your name.

Bill Dobyns representing general contractors. I think our task is to review the merits of this project for delivery method and I have also read all the public comments for the application and reviewed the RCW, and I have not seen anything that tells me that this project wouldn't benefit by using this delivery method. But, that is what we are tasked with deciding and (I) see that it is a great project for it and have not heard of anything that would make me think otherwise.

Panel Chair Gimmestad: Linneth.

Linneth Riley-Hall: So, in looking at the RCW and what our responsibilities are as it relates to alternative delivery method and thinking about the traditional Design-Bid-Build delivery method versus using Design-Build on this particular project because of the complexities of the project, it seems to me to meet the RCW requirements of being a very complex project in itself. However, that said, it could probably be done as Design-Bid-Build, but you wouldn't get the benefits that you would using the alternative delivery method and having a contractor involved from the very start of the design phase and going through that process. I did have a concern about experience on the team because that is one of the things that we need to look at, hence my question of Robynne's 10 percent on the project and probing a little bit more as did Rob on that. And, I think that Robynne is correct, that during the procurement phase that's where her involvement ramps up more and then John Christensen kind of takes over in the construction management phase. Although his experience was finished in 2012, it didn't mean his experience or his knowledge of Design-Build went away. And so, I still feel that he has adequate experience on the four projects that they presented that he has done Design-Build on. Albeit, Progressive Design-Build is a little bit different, but it also new for the state of Washington and so, with that and with having Robynne who was one of the authors of the RCW mentoring and providing that guidance on this particular project, it kind of encourages me that it will be a successful project so long as they utilize the consultants and gain that knowledge as they are going along.

Panel Chair Gimmestad: Thank you. Jim.

Jim Burt: I agree with all the comments Linneth just made, as I think this is a project that is appropriate for Design-Build. I do question the construction manager that is going to be brought on board that their experience isn't noted here, so we are relying on faith that they are going to bring on somebody who is experienced. My questions regarding funding I think are appropriate for the committee whether they have to have adequate and appropriate funding. I know they are a small utility district and they are relying on debt to finance this and I think some of my concerns were alleviated when you said some of the debt is falling off and you would be able to pay for this. That alleviated some of the concerns. And it is up to the Commissioners to actually issue those debts when it is appropriate so I am going to rely on them if they have the confidence and ability to make that judgment at the time for the district. Our questions are appropriate regarding the timing.

Panel Chair Gimmestad: Okay, thank you.

Linneth Riley-Hall: Could I add another comment?

Panel Chair Gimmestad: We have got one right here; I'll get back to you Linneth.

David Beaudine: I think we have said a lot on this panel and I agree especially in regards to the public comment and a lot of that means that we have to take that account as to how that actually plays into the RCW, which a lot of it is aesthetics or rate charges and so forth which are not necessarily what we are to focus on, as we all kind of had to focus on the management experience. I think between Robynne and John and their experience within Design-Build and the PUD experience within construction in general, I think it takes care of a lot of that. And then the concerns we have had about funding, I think that they have addressed a lot of that and I think we are in a good position.

Panel Chair Gimmestad: Linneth, I am going to go down to Jon.

Jon Lebo: I have almost 30 years in the design and construction industry and one thing that we do all the time is we change environment through our construction. But, we also want to be considerate of the environment so whenever we do large, complex projects we like to take the environment into consideration as well as the financial and other aspects of the project. I do want to comment as a Commissioner on another panel, having public input is always valuable and makes the project that much better. It takes a lot of time and effort for the public to comment and often times you see only a small number of people commenting on a project, but there may be many others that are either supportive or have a negative perspective to the project. But, I think in general when people contribute and are passionate about the project, they are better. With that in mind though, we are only being asked to decide whether or not this agency should use an alternative public works process and the benefits that are achieved through that process in using, in this case, Design-Build. Having been involved in many complex, challenging projects, contractor involvement designer involvement early in the process benefits the project, particularly when you look at things like risk associated with costs and schedule. We strive on our projects to have that input early so that we can establish prices. I appreciate the experience that the team brings to this project and without regards to the merits of the financial stability, capabilities, or environmental considerations, which we are not being asked to consider today, I am supportive of the proposal.

Panel Chair Gimmestad: Okay, last – Linneth.

Linneth Riley-Hall: I just wanted to comment on a comment that was made that this team is here as a courtesy. I think it is more than a courtesy, and I wanted to put that on to the record that the PRC – we take our role very

seriously in reviewing and evaluating whether or not projects are good for the alternative delivery method and they were required to come back to the PRC. So, that was a requirement and not a courtesy as was dictated earlier. So, I just wanted to correct for the record that we do take our job seriously and it is not as a courtesy that we are here, it's because we want to review these projects.

Panel Chair Gimmestad: Okay, thank you. I'll make one last comment with regards to this. I am following with Jon and appreciate that as much as it is a challenge to manage public comment, but public comment and public record is a very important and I have had the opportunity for a long time to sit on chairs and planning commission meetings and listen to the public comment and it does provide a better project at the end of the day when we all hear all sides that needs to get done. I am in favor of the project, as I do believe it meets the intent in what's required of 39.10 from a Design-Build alternative procurement process. I can't imagine trying to figure all the risks associated with the project like this in Design-Bid-Build, as it's almost next to impossible. We are talking about fiscal responsibility and you cannot imagine how to manage what is a fiscal risk at the end of a Design-Bid-Build project if you don't know all the parameters going into it from a bidding standpoint. My general contractor, in trying to bid a project like that, there are a lot of risks that are going to fall outside of whether design documents in Design-Bid-Build and I think the Design-Build procurement model allows the opportunity to eliminate or at least identify those risks and put a plan in place before you do the work associated with that. So, I believe that this project fits within the parameters to do Design-Bid-Build. Any other last comment? I'm going to close it up to comments and deliberation from the panel. That being said, I am going to call for a vote on the application. So, in doing so, I want to make sure that we all considered the public comment that we have read and have been provided to us in the written format and then considered as public comment that we have heard here publicly today. I would like everyone to acknowledge that by saying yes. All panel members responded with a "yes." Is there anybody that did not take that into consideration? There was no response. Is there a motion to approve – a motion?

Mike Shinn said I will make a motion to approve their application. Linneth Riley-Hall seconded.

Panel Chair Gimmestad: Mike Shinn has made a motion to approve and I believe I heard Linneth make a second on that approval. I am going to call for a vote. All those in favor of the motion to approve the application, state so by saying I and raising your hand. I believe I see a unanimous vote of eight of the eight members. Are there any nays? There were none. We have a unanimous vote and we will send our recommendations to CPARB. That closes this panel.

This is John Palewicz. This meeting is now adjourned (10:37 a.m.). Thank you everyone.