

Board Development Committee

Meeting Notes 4/3/2024

Page 1 of 5

Co-Chair Robynne Thaxton called the meeting to order at 3:05 p.m. A quorum was established.

1. Welcome and introductions

Committee members in attendance unless otherwise noted:

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|--|----------|-------|
| • Robynne Thaxton <i>Co-Chair</i> , Thaxton Parkinson PLLC | | CPARB |
| • Lekha Fernandes, <i>Co-Chair</i> , OMWBE | | CPARB |
| • Santosh Kuruvilla, Exeltech | | CPARB |
| • Jeff Jurgensen, OAC Services | (Absent) | PRC |
| • Irene Reyes, The Glove Lady | | CPARB |
| • Linneth Riley Hall, Sound Transit | | CPARB |
| • Olivia Yang, Washington State University | | CPARB |
| • Janice Zahn, Port of Seattle | (Absent) | CPARB |

Other attendees include:

- Talia Baker, DES
- Bill Frare, DES
- Colleen Newell, MFA

2. Review and approve agenda

Co-Chair Lekha Fernandes reviewed the agenda and asked the group for any edits before proceeding.

Robynne Thaxton moved, seconded by Linneth Riley Hall, to approve the agenda. The motion was approved by a voice vote.

3. Review and approve last meeting's minutes

Co-Chair Thaxton asked the group to review and provide any edits to the minutes from the meeting on February 6, 2024.

Santosh Kuruvilla moved, seconded by Robynne Thaxton, to approve the minutes from February 6, 2024. A voice vote approved the motion.

4. Invitation to the public to participate

Co-Chair Thaxton noted this committee meeting is open to participation from non-committee members.

5. Structure of the PRC

Staggered appointments

- The first item on the agenda was to discuss the structure of the PRC. The Project Review Committee (PRC) position list was pulled up on screen, and the committee reviewed the length of current terms, the proposed length of the next term, and the term after the proposed term.
- This document was sent to the group following the previous committee meeting on February 6. The only update to this document was the removal of the names of those who are currently on the PRC; only the names of the positions have been left. This plan was presented as a draft at the Capital Project Advisory Review Board (CPARB) meeting on February 8, 2024, and the current plan is for CPARB to vote on this modification at the April meeting.
- This plan has helped to address the problem at hand, which was several positions coming up at one time. The other question to consider is whether there needs to be any action taken to address the number of private positions on the PRC to better reflect the makeup of CPARB. One example of a way to do this would be eliminating the Construction Manager (CM) position, which is a position that does not exist on CPARB. This is a separate issue that will be discussed later in the agenda. For now, it was recommended that this committee move forward with what has already been shown to CPARB.
- Within the table, each term is color-coded and represents a different year for the term expiration. Indicating each term by color provided a visual representation to understand where the term expirations landed.
- There are roughly the same number of positions expiring each year. It was noted that they are not

Board Development Committee

Meeting Notes 4/3/2024

Page 2 of 5

- exact due to an attempt to keep the balance of positions expiring each year roughly the same.
- f) The group reviewed the current list of candidates applying to open positions on the PRC. During the April CPARB meeting, the Board will review and appoint the following positions: Public Hospital, Ports, and Owner-School District. Review of the other three positions will be moved to May. All candidates have been notified that their position will not necessarily be for three years after the proposed plan to stagger positions takes effect.
 - g) One question surfaced about whether this committee needs to vote to move this plan forward to CPARB. This plan was presented at the last meeting, but CPARB did not vote on it yet. If this committee made any changes to the plan now, then there would need to be a vote to approve those changes before presenting it to CPARB.

Owner Representation\Renaming Positions

- a) The group transitioned their discussion to the makeup of the PRC and shared on screen a document that showed the ratio of positions on the PRC compared to the makeup of CPARB. Co-Chair Fernandes noted she did some research after hearing concerns around the makeup of the PRC as well as the number of individuals. There was some indication that the number of positions needs to increase in order to align with the number of projects coming to the PRC and the amount of review that is needed to happen.
- b) There is a misalignment that is occurring in a variety of ways and across a variety of positions. Many of the positions on the PRC are not a 1:1 ratio compared to that position on CPARB. There are some that are a 2:1, others a 4:1 ratio. There needs to be clarity going forward to understand the rationale behind this, especially to ensure that it does not appear there is a preference or priority for certain positions or stakeholder groups.
- c) For example, there are several CM positions on the PRC, however there are no CM positions on CPARB. There needs to be a rationale for why certain positions are added.
- d) In looking at the makeup of the PRC and the ratio compared to that of the makeup of CPARB, the question was asked about what this committee would like to do and whether there is a recommendation that can be given to CAPRB.
- e) It was noted that there is a balance between stakeholder participation and the fact that the PRC is supposed to be a licensing group. This would imply that there is a certain manner of subject matter expertise. One proposal is for members to indicate if they have expertise in either field of alternative delivery methods—Design-Build and/or GC/CM.
- f) Regarding the imbalance of public and private positions on the PRC, this is important because as an owner, the harshest critic of an owner is often another owner. When a project is not going well, then more rules are applied and other owners who are doing well are impacted by those bad decisions. It was noted that there needs to be clarity on those considerations about why decisions are made and the intended outcomes.
- g) One member inquired about the position ratio and comparison between the makeup of the PRC and CPARB, pointing out that there is nowhere in the RCW that indicates it needs to be a 1:1 ratio. However, statute does indicate that the PRC must have knowledge and experience of alternative delivery methods.
- h) Looking at the list of positions on CPARB and considering their experience and expertise as it applies to the PRC, there are certain positions that would not necessarily be applicable or useful on the PRC. For example, there is a position on CPARB representing Insurance/Surety/Industry. The question was asked about whether it would be likely that someone in the insurance industry would be the PRC with GC/CM and Design-Build alternative delivery experience and could evaluate an application to determine if it meets the RCW requirements and is the best delivery method for that project.
- i) The statute indicates that appointments to the PRC must represent a balance of public and private sector and reflect representatives of the board listed in RCW 39.10.220. It must include at least one member representing the interests of disadvantaged business enterprises.
- j) RCW 39.10.220 indicates a list of all the people on CPARB, which can be interpreted in several different ways, but at a minimum there should be an effort to have a balance of public and private.

Board Development Committee

Meeting Notes 4/3/2024

Page 3 of 5

- k) Additionally, there should be a rationale behind why there are certain positions on the PRC that are not on CPRAB or vice versa. For example, the position representing Insurance. They do not carry out day-to-day tasks related to the RCW and are unlikely to have experience in alternative delivery. Therefore, that is why the PRC has selected CMs to be on the PRC, because of their knowledge and expertise. It was emphasized that there needs to be reasoning for the makeup of the PRC.
- l) It was pointed out that the position ratio comparison document is broken down at the granular level. At the top of this document there should be an indication of the balance between public and private for CPARB and the PRC. While the granular level is fine for transparency, it is not required by the RCW. This granular level was included with the assumption that there will be questions about certain groups not being represented or others who are over-represented.
- m) Currently on CPARB, there are nine public owners, 12 private positions, and four legislative representatives. On the PRC, there are 21 private positions and 12 public positions. This equates to a 75% ratio on CPARB and 57% ratio on the PRC.
- n) Owners have a lot of knowledge and experience in the procurement process and having owners on PRC panels is beneficial in the project review process. However, there are so few owners on the PRC now and there may only be one owner on a panel of seven. It was suggested to add a general owner category to the PRC so that they can be added to panels and also help with the overall balance between public and private. The goal is to also try and alleviate concern of not having experience on the PRC.
- o) There are a lot of cities that are experienced, and there are several cities now that probably have enough experience with Design-Build of GC/CM. There may be an opportunity to add a cities position. On the other hand, there are not a lot of ports that are using alternative delivery, and this is one that would likely not be added.
- p) One consideration that needs to be made is the varying levels of resources for each city. Big cities may be more likely to sit on the PRC while smaller cities may not. However, there are cities that do a lot of alternative delivery, like the City of Richland, for example.
- q) There is also potential caution that needs to be paid for public entities that are on the PRC. The question was posed about whether an entity may get approved because they have the experience and knowledge or because of their connections on the PRC.
- r) One member clarified that they work with a lot of smaller cities and there are many people who have been working on alternative delivery projects and are qualified. The same applies to school districts as well. There are many individuals representing different entities that are qualified beyond General Owners.
- s) The group realigned to identify what their goal was today—whether it was to bring something to CPARB next week or to just discuss it. Co-Chair Thaxton noted she would like to get guidance from this group about how to approach this issue of imbalance. For example, should the recommendation be to add more owners, and if so, should those owners be ones that are getting a lot of approvals from the PRC? Additionally, there needs to be a rationale that aligns with what the statute says.
- t) One member noted this committee is not ready to discuss this at the CPARB meeting next week. This committee has been discussing this issue for a year and has done a good job of creating a table and schedule. While they presented it to CPARB one time, there was not much conversation around it, and there may be new members with new perspectives. They proposed talking about it at the next couple of CPARB meetings to get their feedback.
- u) Bringing this to CPARB for discussion is something that may need to be discussed with Chair Janice Zahn. However, it was pointed out that this table of proposed plan to stagger PRC positions has been in front of CPARB a couple of times and they were asked to provide input and participate.
- v) This issue needs to be resolved soon, however, because appointments need to be made and two of those positions have shortened terms. It was urged that this issue be resolved before CPARB recesses for the summer. One of the issues is that recruitment is done in January and February for April and May appointments. Assuming that CPARB will approve these term limits, it is important that this should be approved and implemented.

Board Development Committee

Meeting Notes 4/3/2024

Page 4 of 5

- w) While there is merit in having CPARB look at this again, one member expressed hesitation in letting them drive the decision on this. There should be equal conversation between CPARB and the committee. Their interpretation of the RCW on this matter is that there should be some clarity if not equality in the balance between owners and private. They clarified that the term table should be shown and discussed among CPARB, but there is a need to get the issue out there and resolved.
- x) When a position is started on the PRC, statute already indicates what to do. The positions are staggered from the beginning, and there are no concerns about adding additional positions because there is a path forward. It was noted that there is an extra position on the table because there are only 33 positions on the PRC.
- y) When the committee went to CPARB with this proposed plan last time, the committee indicated they were working on it and would come back when it was finalized. It was suggested that at the next meeting they come back with the final rather than more dialogue and requests for input.
- z) Additionally, the committee should let CPARB know that the other piece being worked on is the balance between public and private. The suggested approach would be to either increase owners or decrease private positions, which would be more difficult to do. Increasing owners may help with getting buy in to increase owners, which will help with finalizing and getting something moving. In this case, at least CPARB would know something is coming.
- aa) This item has been on the CPARB pre-read for April and the intent was for the Board to vote on this at the next meeting. Additionally, during the last CPARB meeting the Board was asked to provide feedback on the proposed plan to stagger the PRC appointments. There was no feedback provided.
- bb) If there is a consideration to add or rename positions, one option would be to make CMs private industry. This would help generalize owners and non-owners, with the intent of trying to not make things difficult.
- cc) It was pointed out that there is a line of thinking that indicates public positions may have similar interests and private positions have similar interests as well. However, people have varying representations that are often in conflict. There needs to be discussion to identify where representation and interests of those positions lie and what considerations need to be made. There appears to be a greater imbalance happening across the PRC that is beyond just public and private, and the intent is to have a more robust conversation after working to address this issue.
- dd) There are both the General Owner and Owner-General Public positions that are expiring. On the CPARB website, they were grouped as just Owner-General Public, and it was requested that they would like the name on the table changed to that so that, for the same of recruitment and appointment, they are the same. Co-Chair Thaxton will modify the table so that they are just named Owner-General Public.
- ee) This committee needs to identify a way forward to create a better balance between public and private on the PRC. The PRC is made up of 12 public positions and 21 private positions. On CPARB, the makeup is closer to a 3:4 ratio for public to private. Looking at the current makeup of the PRC, adding three additional public positions would get the PRC make up to a 71% ratio, while adding four would get it to a 76% ratio.
- ff) At this time, to change the proportion in CPARB would require legislative change. If the RCW is not changed around the proportion of public and private in CPARB, then it would take adding three to four public owners to the PRC.
- gg) A next step might be to bring a simple proposal to CPARB. This could be posing a question about whether they accept the public/private proposal, which would translate to adding three to four more positions. It's often difficult to recruit people, and having the position be less restrictive would allow more flexibility.
- hh) At the April 11 CPARB meeting, the plan is to present the plan to stagger PRC positions to the Board and walk through it, while discussing generally the issue with the ratio of public versus private. At the next meeting, the approach would be to delve into the issue with more direction from CPARB first and then move forward.

Board Development Committee

Meeting Notes 4/3/2024

Page 5 of 5

6. New Issues – Board Recruitment

- a) CPARB has five positions that are expiring in June and there are currently not a lot of applicants. Those who have applied have been mainly in the private industry. Co-Chair Thaxton noted that she has been appointed to another term on CPARB and Irene Reyes and Santosh Kuruvilla's terms expire in June. There was uncertainty about the governor's expectations for the OMWBE position.
- b) There is currently a need to find someone for the Engineers position. It was inquired about whether Santosh could reach out to his network and noted that he has provided a couple of recommendations. Irene was asked whether there were any interested candidates for the Private Industry position, and she noted that a big challenge is the time commitment for people to participate.
- c) Co-Chair Thaxton noted that the report out to CPARB at the April 11 meeting there will be a request to the Board for them to reach out to try and recruit if they haven't already.

7. Mentorship and Training

- a) It was noted that the mentorship needs to start up soon. There will potentially be up to five CPARB members that will need mentors by July 2024. Irene pointed out that her term ends on June 30, 2024 and she will need to transition her mentorship of Robin Strom to someone else.
- b) There are several members on CPARB that will need to become mentors. One consideration at the next CPARB meeting is to do a roll call for all members to indicate whether they would like to be a mentor or which committee they would like to be on. The agreed expectation of board members is that they would do one of those two things.
- c) Talia Baker will send an updated report that identifies CPARB committees that have open positions.
- d) Additionally, having a template or one-pager that provides key points and guidelines for recruitment would be helpful to have. This could include the top things that have come out of CPARB and perhaps this could be a recruitment page on the website.
- e) While putting up a recruitment page on the website is possible, there needs to be more understanding of what should be included on that page beyond it being just an informational page. For example, it could be something similar to a job description indicating what being on the Board entails. This resource could simply be a document that is hosted somewhere on CPARB's website. That way, it would only be one link to update.
- f) The focus should be on creating something like a job description that enumerates the benefits as well as the skills required to be on the Board. Similar to skills that are needed to sit on the PRC, there are skills needed to be on CPARB. For example, balancing competing interests, and negotiation while maintain relationships.

8. Next meeting agenda

- May 1, 3–4:30 p.m.
- Agenda
- Minutes – 4/3/2024
- Additional Owner positions\Renaming Positions
- Board Recruitment
- Mentorship and Training
- Next agenda

9. Action items

1. Co-Chair Robynne Thaxton will update General Owner positions to be Owner-General Public on the PRC position list.
2. Talia Baker will send to the committee an updated report that identifies committees with open positions.

Meeting Adjourned at 4:31 p.m.