



Summary Minutes

Board Meeting and Capital Program Realignment Workshop August 27, 2020

Call to order

The meeting was called to order at 1:37 p.m. by Board Chair Kent Keel in a Virtual Meeting via telephone and video conference.

Roll call of members

Chair	Vice Chairs
(P) Kent Keel, City of University Place Councilmember	(A) Dow Constantine, King County Executive (P) Paul Roberts, Everett Councilmember

Board members	
(P) Nancy Backus, City of Auburn Mayor	(P) Ed Prince, City of Renton Councilmember
(P) David Baker, City of Kenmore Mayor	(P) Kim Roscoe, City of Fife Mayor
(P) Claudia Balducci, King County Council Chair	(A) Nicola Smith, Lynnwood Mayor
(P) Bruce Dammeier, Pierce County Executive	(A) Dave Somers, Snohomish County Executive
(A) Jenny Durkan, Seattle Mayor	(P) Dave Upthegrove, King County Councilmember
(A) Debora Juarez, Seattle Councilmember	(P) Peter von Reichbauer, King County Councilmember
(P) Joe McDermott, King County Council Vice Chair	(P) Victoria Woodards, City of Tacoma Mayor
(P) Roger Millar, Washington State Secretary of Transportation	

Katie Flores, Board Administrator, announced that a quorum of the Board was present at roll call.

Report of the Chair

Virtual Meeting - Chair Keel requested a roll call vote for each action and asked staff to confirm each vote so that Board members know their vote was heard.

Program Realignment - A portion of the meeting is a workshop on the capital program realignment. This is on the agenda as item 9 and noted that the Board members are looking forward to continuing that discussion.

Appointment to PSRC Transportation Policy Board - Earlier this year, the Board was asked to appoint a member of the Board as Sound Transit's representative on the Puget Sound Regional Council's Transportation Policy Board. Chair Keel announced that he has appointed Boardmember Kim Roscoe and thanked her for agreeing to this appointment.

CEO Report

CEO Rogoff provided the report.

Northgate Link Safety Incident - On Tuesday an unfortunate incident occurred at the Roosevelt Station worksite for the Northgate Link Extension. A contractor's high-rail vehicle began rolling southbound on the northbound tunnel track from north of the Roosevelt Station site. Due to difficulty stopping the vehicle the occupants jumped off. Four Mass Electric workers were injured in the process, two of whom

were transported to local hospitals and are in stable condition. The vehicle ultimately stopped and was secured near the University District Station construction site. The University of Washington station was evacuated as a precaution and Link service was suspended north of Capitol Hill until the vehicle was stopped and secured in place. A thorough investigation as to the cause of this incident will be conducted before the contractor's work is allowed to continue.

Passing of Slade Gorton – CEO Rogoff reported the passing of Slade Gordan, who served the people of Washington State in both the state legislature and in his three terms as U.S. Senator. Mr. Gordon was one of the architects of the famed Forward Thrust initiatives. He was an early supporter of Sound Transit, and in his final Senate term he was helpful to the young agency's federal agenda.

External Engagement - The August external engagement report has been distributed to Board members. Mr. Rogoff highlighted that the comment period for the Bus Base North environmental process has been extended to September 8th, and the appeal deadline has been extended to September 15th. He also alerted the Board that in early September, Sound Transit will kick off public engagement on proposed service levels for 2021, including proposed changes for when light rail service to Northgate begins next fall. The Rider Experience & Operations Committee will review the proposed 2021 service levels at its next meeting.

Fare Enforcement Activities - Following months of process review and stakeholder outreach, staff presented the Equitable Fare Enforcement Action Plan at the March Board meeting. Board action on policy changes was delayed due to COVID-related restrictions on the Board actions. Mr. Rogoff noted that the murders of George Floyd and other Black Americans have further reinforced the urgency of providing services equitably. The agency has renewed its commitment to use new and different methods of fare enforcement and work toward ending the disproportionate burdens that historic practices have placed on riders of color. Staff is currently working on final recommendations that will be presented to the Board in September and October. The recommendations include looking at reducing fines, increasing warnings, adding customer service responsibilities to officers' job descriptions, changing uniforms to be less like law enforcement, and implementing a non-escalation policy where Sound Transit would not call law enforcement on matters solely related to fares.

King County Deputy Sheriff Johnson - CEO Rogoff concluded his report by commending a member of the Sound Transit family for his recent heroism. King County Deputy Sheriff Ben Johnson, who is assigned to the Sheriff's Sound Transit Division, was vacationing near the Wenatchee River last Sunday, when he and another off-duty officer, Kent Police Detective R. Gilchrist, sprang into action and rescued a child who was caught in the rapid currents. Eyewitnesses reported that without the officers' quick and decisive action the child would have drowned.

Public Comment

Chair Keel announced that due to the Governor's order and Motion No. M2020-23 approved in March, the Board would only be accepting public comment via email. Board members did not receive any comments submitted before the meeting by email.

Consent Agenda

Voucher Certification: July 2020

Minutes: July 23, 2020 Board of Directors Meeting

Motion No. M2020-47: Authorizes the chief executive officer to execute a contribution agreement with the City of Seattle for the City to pay Sound Transit for removal of landfill material from WSDOT right of way at the Midway Landfill site as part of the Federal Way Link Extension in the amount of \$13,348,027.

Motion No. M2020-48: Authorizes the chief executive officer to execute a contribution funding agreement with Washington State Department of Transportation for construction of the SR 509 Completion Project work at Midway Landfill for the Federal Way Link Extension for a not to exceed amount of \$420,000.

The Consent Agenda was moved by Boardmember Backus and seconded by Boardmember Balducci.

Ayes

Nancy Backus
David Baker
Claudia Balducci
Joe McDermott
Roger Millar
Ed Prince

Nays

Paul Roberts
Kim Roscoe
Dave Upthegrove
Pete von Reichbauer
Victoria Woodards
Kent Keel

It was carried by unanimous vote of 12 Boardmembers that the Consent Agenda be approved as presented.

Business items

Resolution No. R2020-15: Adopting a new budget policy and superseding Resolution No. R2018-23.

This action was reviewed by the Executive Committee earlier this month and forwarded to the Board with a do pass recommendation. Chair Keel spoke to the objectives of the policy update. The policy update will reduce the number of actions presented to the Board for administrative changes by delegating authority to the CEO to transfer budget between cost phases of the same project. Staff will still be required to seek Board authority to approve project allocation, overall budgets, and transfers from the contingency phase of System Expansion projects. Other changes to the budget policy are administrative in nature to clarify the meaning and intent of the current policy, and to align the Transit Improvement plan with industry standards.

Boardmember Dammeier stated that he was not able to attend the Executive Committee meeting due to technical issues and asked for clarity on the policy. Ann Sheridan, Director of Revenue Initiative, explained that the policy would give the CEO the authority to transfer annual budgets between phases, with the exception of transferring budget from Phase 90 contingency for a System Expansion project. Ms. Sheridan stated that she didn't have information on the number of budget transfers that would be avoided by adopting the updated policy, but could provide that information following the meeting. She noted that budget transfer amounts have spanned a range of dollar amounts in the past. Mr. Dammeier stated his concern that there is no dollar limit for transfers in the proposed policy and asked for other options that don't delegate so much authority to staff.

In response to a question from Boardmember Roscoe, Ron Lewis, Executive Director of Design Engineering & Construction Management, provided an applied example of this process. Ms. Sheridan, added that for 2019 there were five Board actions related to budget transfers that ranged from \$50,000 to 1.5 million dollars. In response to a question from Chair Keel on whether any of those projects were delayed due to Board review, Mr. Lewis noted that in some cases there were actions where project timing limited the amount of time that the Board had for consideration.

CEO Rogoff noted that in 2018 the Board updated some of its policies and processes to try to minimize some of the smaller actions so the Board can focus on larger policy changes and impacts. Staff intention was more from the administrative side. CEO Rogoff encouraged the Board to set its comfort level for the policy delegation.

Chair Keel and other Board members favored not taking action on the policy at the August Board meeting to allow time to have Board questions answered and ensure that the proposed policy will meet the goals of preserving time on Board agendas by delegating appropriately to staff.

Report to the Board

None.

Board workshop on program realignment

Board Chair Keel reported that in June, the Board discussed the realignment path forward and the adopted Motion No. M2020-37 and Motion No. M2020-38, establishing criteria and revenue scenarios to use as the agency works on full program realignment through the first half of 2021. This year the Board would consider the possibility of advancing projects to keep them “shovel ready” if the recession is milder and/or additional funding becomes available.

March was the last time that the Board considered actions for projects not already in construction. The Board struggled with whether to advance Sounder fleet purchase and the Auburn parking and access project given the developing recession. As a result, CEO Rogoff announced to our Board Committees and the Full Board that he put a pause on bringing forward further actions to advance projects. With the realignment path forward in place, we are now in position to again consider these near term, 2020 actions. Today staff will walk through each paused action in a workshop format to inform the Board so that members can reach agreement on which of the paused actions staff should then bring to System Expansion Committee for consideration.

CEO Rogoff reported that the agency continues to aggressively watch the federal debates for new funding opportunities. He noted that earlier this month Sound Transit received a federal grant for some of the buses on our Bus Rapid Transit program.

Economic and financial impact of COVID-19

Tracy Butler, Chief Financial Officer, presented the financial update. The Washington unemployment rate is near a historical high and taxes through June are significantly below budget with sales tax down 11%, MVET down 5% and Rental Car Tax down 49%. Ms. Butler shared moderate and severe recession scenarios. A moderate recession would reduce revenue by \$656 million in 2020 and 2021, and reduce revenue \$7.2 billion through 2041. A severe recession would reduce tax revenue by \$921 million in 2020 and 2021, and \$11.9 billion through 2041. She noted that the financial plan is being updated on a monthly basis and shows that without an adjustment by the Board, the agency’s finances will exceed the legal debt limit in 2028. A Board decision to realign the program by delaying all projects five years would be affordable in the financial plan projection. In October, additional information will be presented on updated financial plan assumptions, cost and price indices and updated revenue and ridership information and forecasts.

Capital Program Realignment Overview

Don Billen, Executive Director of Planning, Environmental and Project Development, reviewed the path forward discussed by the Board, including the Board’s action to identify evaluation criteria in June, that will inform scenario building for Board review and public engagement leading to comprehensive program realignment in July 2021 that will revise schedules and funding for projects. In the near term the Board can take actions to maintain flexibility and project readiness by moving forward with construction while also continuing planning and final design work to keep projects eligible for grants and looking at incremental project delivery approaches. Mr. Billen reviewed the schedule impacts due to environmental review delays and as a result of COVID-19. He noted that staff is exploring mitigation options but there

is a low likelihood of fully recovering original project schedules. Mr. Billen called on additional presenters to review the Fall 2020 near-term decisions.

Sounder Projects Overview

Eric Beckman, Deputy Executive Director of Business & Construction Services, presented the overview of the Sounder Program. He reviewed projects with paused actions including the Sounder South Platform Extensions, South Tacoma and Lakewood Station Parking and Access Improvements, Edmonds & Mukilteo Station Parking and Access Improvements, Kent and Auburn Station Parking and Access Improvements, Sumner Station Parking and Access Improvements and Sounder Maintenance Base.

Boardmember Roscoe asked for a document where the options could be compared side by side. Mr. Billen responded that a summary table can be created for the Board. Boardmember Balducci requested that the comparison document display tradeoffs including subareas and time and funding impacts. Boardmember Millar asked that information on the constructed cost of each of the elements and basic scope be included. Mr. Rogoff noted that ridership information is challenging right now because the long term impacts of telecommuting are not known.

Boardmember Roberts noted that many projects require environmental and permitting work to enable projects to be in a state of readiness and wanted the Board to consider the shelf life of environmental documents.

Boardmember Dammeier asked whether Sounder ridership was expected to be uniform in the region or if certain stations or projects would have a different ridership impacts. Mr. Billen, responded that the currently there is a larger drop in ridership on the Sounder North line than on the South Line. Pre-COVID-19, parking and access demand was greatest between the Tukwila and the Tacoma Stations with parking facilities at capacity. Boardmember Dammeier requested pre-COVID-19 and post COVID-19 ridership levels for Sounder stations.

Boardmember Upthegrove provided feedback on proposed investments in the plan on behalf of the South King County Board members. The priorities are Station access improvements, which are preferred over longer trains through station platform extensions, and more frequent trips/ trains. He reflected on the importance of maintaining the agreements with partners and living up to the commitments made to voters. Boardmember Backus supported Boardmember Upthegrove's remarks and advocated for essential workers that are still utilizing the Sounder.

Bus Rapid Transit Project Overview

Marie Olson, Executive Operations Director of Transit Expansion, presented the overview of the Bus Rapid Transit Program. She reviewed paused actions for the I-405 BRT North, I-405 BRT South, SR 522 BRT, and North Bus Base projects as well as the NE 85th Street Interchange agreement.

Boardmember Balducci advocated advancing I-405 BRT and SR 522 BRT actions in 2020.

Boardmember Dammeier asked whether the I-405 BRT North project is contingent upon WSDOT's North and Express toll lane project schedule, and if there is any indication that WSDOT would have trouble meeting these goals. Boardmember Millar responded that WSDOT is looking into different options to fill lost revenue while also waiting for future developments with the Supreme Court and State Legislature. He noted that the work on the North end of I-405 was funded in the 2019 session when the legislature decided to approve the entire corridor for tolling. WSDOT like Sound Transit is waiting to see the changes in travel patterns and further information is expected in Spring 2021. CEO Rogoff pointed to the criticality to the partnership between Sound Transit.

Link light rail Project Overview

Karen Kitsis, Deputy Executive Director of Capital Project Development, reviewed the Link projects with near term actions including Everett Link and OMF North and the North Corridor Maintenance of Way projects.

Boardmember Roberts advocated for the OMF facility stating that it serves a broader need. He shared that there is an inner-local agreement in place and work has been going on for two years with the cities of Lynnwood, Snohomish County, Everett, Community Transit and others on how to provide an integrated approach.

Third Party Agreements and Additional Projects

Karen Kitsis, Deputy Executive Director of Capital Project Development, reviewed the Third Party Agreements and Additional Projects with paused actions including the North Sammamish Park and Ride, Bus on Shoulder, Everett Station Parking Contribution, Madison BRT Funding Agreement, and Rapid Ride C/D Funding Agreement.

Chair Keel and Boardmember Roscoe asked for more information on whether jurisdictions will be able to complete the projects envisioned. CEO Rogoff responded that the agreements are refundable.

Mr. Billen, provided an overview of the timeline for spending decisions, explaining that construction is the greatest portion of project costs. He also explained that the cost of authorizing all fifteen paused development, design, and third party projects is approximately \$150 million. However, advancing all the projects discussed today through construction is not affordable in the financial plan, so all the projects are still subject to the realignment decisions that will be made by the Board in 2021. Mr. Billen also provided information on project readiness for delayed projects.

Next steps

Board Chair Keel thanked staff for the comprehensive overview. He formally requested that staff bring a recommendation to the Executive Committee meeting in September on which near-term actions to advance. He requested that members of the Executive Committee make a recommendation to the full Board in September on which near-term actions to advance. He would then like to reach agreement at the Board meeting on which of the paused actions staff should then bring to the System Expansion Committee in October and November. He reported that Sound Transit has prioritized continuing construction on many projects. Forty miles of light rail and twenty eight stations are under construction.

Boardmember Balducci mentioned that as the Board tries to get their brains around these difficult near term decisions, it's going to be very dependent on whether Boardmembers are able to get enough information showing the cost benefit, tradeoffs, what pausing really means and some sense of subarea. She asked to receive more support from the staff to receive the information needed for board decision making. Boardmember Backus asked if a modeling tool could be developed to show the impacts to the entire system and suggested an all-day session for further Board review of different scenarios.

CEO Rogoff stated that hearing the Boardmembers discussion on projects was helpful but what was most helpful was hearing the suggested improvements on providing this information. He thanked the Boardmembers for devoting their time to the workshop. Staff is prepared to support their conversations at the September Committee and Board meetings.

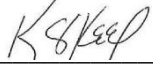
Boardmember Roberts suggested providing information using the criteria identified by the Board as well as ridership information. CEO Rogoff said that staff could potentially provide ridership estimates, but cautioned that the data is unpredictable in the current environment.

Next meeting

The next regular Board meeting would be held on Thursday, September 24, 2020, 1:30 to 4:00 p.m. as a virtual meeting via WebEx.

Adjourn

The meeting adjourned at 4:05pm.



Kent Keel
Board Chair

ATTEST:



Kathryn Flores
Board Administrator

APPROVED on September 24, 2020, TW.