

Meeting Notes - DRAFT
ORCA Joint Board Meeting – May 13, 2019
11:00 a.m. to 12:30 p.m.
King Street Center, 8th Floor Conference Room

Board Members Attending:	ORCA Operations:	Others in Attendance:
Community Transit <ul style="list-style-type: none"> • Emmett Heath Everett Transit <ul style="list-style-type: none"> • Tom Hingson King County Metro <ul style="list-style-type: none"> • John Resha Kitsap Transit <ul style="list-style-type: none"> • John Clauson Pierce Transit <ul style="list-style-type: none"> • Susan Dreier Sound Transit <ul style="list-style-type: none"> • Michael Harbour Washington State Ferries <ul style="list-style-type: none"> • Amy Scarton 	<ul style="list-style-type: none"> • Rob Jensen (CT) • Bob Hunter (ET) • Sunny Knott (KCM) • Denise Moyle (KT) • Mark Eldridge (PT) • Mark Gloss (OPS) • Ulta Slee (OPS) • Yvette Lopez (ST) • Jared Fernley (WSF) Regional Administration: <ul style="list-style-type: none"> • Cheryl Huston (RPA) • Liz Biber (RPA) next gen ORCA Program: <ul style="list-style-type: none"> • Brittany Esdaile (RPM) • Kathleen McMurray (RPT) • Sunnie Sterling (RPT) • Adam Vance (RPT) 	<ul style="list-style-type: none"> • Mary Beth Lovell (CT) • Tim Chrobuck (CT) • Janine Joly (KC PAO) • Matt Hansen (KCM) • Paula Wissel (KNKX Radio) • Adrian Ramirez (KOMO TV) • Amy Sutherland (Moss Adams) • Laurie Tish (Moss Adams) • Ryan Wheaton (PT) • Alan Hecker (ST) • Amy Pearsall (ST) • Chad Davis (ST) • Lisa Wolterink (ST) • Jason Weiss (ST)

1. CALL THE MEETING TO ORDER & INTRODUCTIONS: The meeting was called to order by Joint Board Chair, John Resha (KCM). Emmett Heath (CT) introduced Mary Beth Lovell, CT's new Director of Communications and Public Affairs.

2. PUBLIC COMMENT: None.

3. APPROVE MEETING NOTES: The April 8, 2019 and April 19, 2019 meeting notes were unanimously approved by the Joint Board.

4. BRIEFINGS:

a) Moss Adam Financial Audit Report – Laurie Tish summarized the 2018 audit which resulted in a clean audit without findings.

b) Next gen ORCA Project Update and Dashboard – Brittany Esdaile (RPM) reviewed the monthly dashboard noting a gold star for Notice to Proceed to INIT. ST agreed to absorb the risk while the agencies each take action on the revised Interlocal Agreement.

Retail Network – Expected to issue Notice to Proceed to the Retail Network contractor in the next few weeks.

Next gen ORCA Capital Budget – The budget is scheduled for June 10 Joint Board action.

Data Access and Reporting Project (DARe) – Estrada has produced 6-7 sample reports for regional testing with positive feedback on progress to date.

Preliminary Design – Work is underway with INIT and over 100 SMEs to complete the majority of the PDR phase this summer. Regional SMEs are also participating to determine the color of devices and the website domain names.

c) next gen ORCA Draft Regional Capital Budget – Brittany summarized the draft budget. Since the 2017 briefing on the estimated project budget, the majority of unknowns are cleared, including contract

costs, as 95% of contracts have been issued. There have also been decreases in equipment quantities and a reduction of project team staffing. The OSC is expected to make a recommendation on loaned staff cost sharing and the mobile application, prior to the June 10 Joint Board.

Amy Scarton (WSF) asked about the unresolved items. Brittany said the primary items are confirming that agency-donated positions will be a regionally shared cost and confirming the mobile application developer. In addition, equipment quantities need to be confirmed for order submittal in July. The negotiated tier pricing is set for orders placed any time in the next 15 years of delivery.

- d) Proposed 2020 ORCA Operating Budget** – Cheryl Huston (RPA) and Sunnie Sterling (RPT) summarized the draft 2020 Operating Budget and highlighted changes from 2019. The final 2020 Operating Budget is scheduled for action at the June 10 Joint Board meeting.

The proposed overall budget totals \$12.6M, a 9% increase over 2019. Increases include 3 FTEs for next gen ORCA Operations (Director, Analyst and IT Operations), DARE project work rolling into 2020, increased card costs due to card tariffs, plus banking fees related to increased online and Autoload sales. The decrease in ORCA Operation staffing is related to the reduced need for services.

Susan Dreier (PT) asked for an updated organization chart reflecting current and new FTE positions. Cheryl will distribute the updated chart to the Joint Board and Site Managers. Sunnie noted there will be increased operating expenses due to concurrent operation of the legacy system and the launch of next generation ORCA.

Jason Weiss (ST) noted that increased operating costs are expected to kick in by late 2021. Sunnie said any operational costs will be included in the 2021 Operating Budget.

5. ACTION ITEMS:

- a) Approve 2019 ORCA Operating Budget Amendment No. 1 – Cards Costs** – Cheryl requested approval to use \$400k of contingency funds for higher than projected card costs attributed to card tariffs added to 2019 card orders. The proposed 2020 Operating Budget assumes the card tariff remains in place.

Emmett asked if Metro pays a higher cost share since they use a two-chip design ORCA card; Cheryl confirmed KCM pays the full cost of their dual chip card.

Susan asked if we were required to buy cards from Vix. Cheryl said we explored other options a few years ago but due to the application complexities, we agreed to continue with Vix. Brittany said for next gen ORCA, there will be more flexibility to procure cards ourselves or to use the retail network contractor.

The ORCA Operating Budget Amendment No. 1 was unanimously approved by the Joint Board.

- b) Approve 2019 ORCA Operating Budget Amendment No. 2 – Technical Consulting** – Cheryl requested approval to use contingency funds for IBI consulting work on the Data Privacy Policy. Susan asked about Cheryl's budget authority and why Joint Board approval is needed. Cheryl said her budget authority is \$100k, but use of contingency requires Joint Board approval.

The ORCA Operating Budget Amendment No. 2 was unanimously approved by the Joint Board.

- 6. EXECUTIVE SESSION:** The Joint Board went into Executive Session at 11:45 a.m. to discussion vendor issues per RCW 42.30.110(1) (d). Executive Session ended at 12:02 p.m.

7. ADMINISTRATORS REPORT:

ORCA Leadership Team (OLT) – Cheryl summarized the May 15 OLT meeting. Core topics were Tokenization work and development team changes. Vix is expected to provide a status on both topics prior to the June 10 Joint Board meeting.

Audit – Vix has received and is reviewing the 2019 PCI Audit Report on Compliance. We expect to have the report by the required contract delivery date of May 31.

Priority work – Delete Expired Credit Card work is in testing and expected to be in production in early June. Tokenization testing will begin after CT and ET fare change work is completed.

Retailer Update – Only a few retailers remain with connectivity issues. Cheryl indicated the goal is to have manual downloads ceased by May 31. A few of the stores impacted are in the top ten sales category. Sunny Knott (KCM) is working with the retailers and Vix to mitigate.

8. OTHER BUSINESS: ORCA Director – Michael Harbour (ST) said he, John and Tom expect to interview candidates for the ORCA Director position in the next few weeks.

The meeting adjourned at 12:05 a.m.

NEXT JOINT BOARD MEETING: Monday, June 10, 2019, 11:00 a.m. to 12:30 p.m. at King Street Center 8th Floor Conference Room.