

Sound Transit Citizen Oversight Panel Virtual Meeting Summary November 18, 2020

COP Members Present: Fred Auch, Scott Lampe, Dan Parker, James Peyton, Helen Powell, Bill Roach, Larry Sauvé, Joe Scorcio, Paul Thompson

COP Members Absent: Brett Johnson, Daniel Santon

Others Present: Shelly Brown, Kathy Albert, Katie Flores, Taylor Wilkinson

Conversation with the Chief Executive Officer

- Peter Rogoff, CEO
- Alex Soldano, Director of State Relations

Peter Rogoff discussed the challenges Sound Transit has faced since the beginning of the Covid-19 pandemic. Ridership has slowly begun to increase after a record decline nationwide. The Agency's eight major construction projects are proceeding well. Contractors are providing high quality work and safety oversight. Cost growth remains a significant concern because of the sharp decline in revenues, the continued rise in operator costs, which exceed the inflation rate year after year, and the strong construction and real estate markets. Real estate acquisition costs for the West Seattle and Ballard Link extension projects are already significantly higher than estimated in the ST3 plan. The realignment process currently underway to address these and other issues is expected to be completed in July 2021.

Sound Transit's accomplishments during this unprecedented time are due largely to its approximately 1,000 employees, who have continued to work diligently under challenging circumstances for almost nine months.

The Agency is working closely with its congressional delegation to seek additional Covid-19 relief funds through the HEROES Act, which has been adopted by the U.S. House of Representatives and would provide an additional \$375 million for Sound Transit's capital program. Refinancing the Agency's Transportation Infrastructure Finance and Innovation Act (TIFIA) loans would also provide significant savings. Sound Transit retains the highest credit rating of any transit provider in the country, and the highest number of TIFIA loans.

Alex Soldano discussed the legislative agenda in Olympia, where the Agency is working with the House and Senate Transportation Committees to pursue any opportunities that might become available during what is expected to be a very challenging session in 2021. The need for a virtual session, the continuing impacts of Covid-19, and the projected budget shortfall of \$4.4 billion through 2023, make it unlikely that a significant transportation package will be approved.

Grant Program

- Lisa Wolterink, Deputy Executive Director of Grants, Fares and Revenue
- Monica Overby, Deputy Director of Grants

Lisa Wolterink discussed the three types of grants in the Agency's financial plan. The Federal Transit Administration's New Starts/Full Funding Grant Agreement program (FFGA) is used to rate and fund major capital projects nationally. Sound Transit receives the majority of its grant funds from the FFGA program. The FTA's formula program provides grants to urbanized areas based on service data, such as

bus and fixed guideway revenue miles. Other regional and national competitive grants comprise the remainder of the Agency's grants. Since 2017, Sound Transit has received \$2.7 billion in grants, about 31 percent of the total grant amount of \$8.8 billion that is assumed for ST3.

Sound Transit has also received \$3.3 billion in TIFIA loans, and remains the only transit provider in the U.S. to have received a Master Credit Agreement under the program. The Agency has submitted a letter of interest to the Build America Bureau to refinance one or more TIFIA loans and direct the funds toward ST3 projects.

The Agency works closely with federal oversight teams to stay in compliance with all federal requirements, and has maintained clean annual audits for more than 20 years. The most recent triennial review resulted in one finding, an error in reporting, which was quickly resolved.

Discussion

Conversation with CEO - COP members expressed appreciation for the thorough and transparent updates provided by the CEO, which include discussion of pending issues in addition to briefings on past events. The COP noted the extremely challenging circumstances under which the Agency is working, and expressed gratitude to the leadership team and all of the staff.

Grant Program – The COP appreciated the presentation, and noted the many uncertainties that lie ahead.

The summary of the November 4, 2020, COP meeting was approved.

Member Reports

Bill Roach noted that his four-year term on the COP had officially ended. He expressed appreciation for the opportunity to serve, as he will continue to do until his successor is identified. COP members thanked Bill for his meaningful contributions to the Panel.

2020 Focus Areas

- Adequacy and appropriateness of station access
- Monitoring and review of social equity, racial equity, fare enforcement, and inclusion policies
- Implications and impacts of emerging technologies
- Workforce development and measurement of outcomes
- Uses of peer comparison data
- Asset management plan progress
- Reliability and availability of federal, state, local, and third party funding sources
- Customer experience focus that includes the entire region and all of the transit agencies within it
- Customer experience metrics that focus more specifically on the customer experience
- Safety performance and function
- Contingency planning and disaster preparedness
- Cost management for the System Expansion Implementation Plan
- Impacts of Covid-19 on system operations and program realignment
- Program realignment, interagency cooperation and interoperability

Outstanding Questions

- 1) Clarification of the roles of partner agencies regarding Sound Transit service changes and implementation. NOTE: This topic will be discussed at the December 16, 2020, COP meeting.

Next Virtual Meeting: Wednesday, December 2, 2020, 8:30 – 11:00 AM

.