



Summary Minutes

Board Meeting
June 25, 2020

Call to order

The meeting was called to order at 1:32 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	(P) 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	(P) Nicola Smith, Lynnwood Mayor
(P) Bruce Dammeier, Pierce County Executive	(P) Dave Somers, Snohomish County Executive
(P) Jenny Durkan, Seattle Mayor	(P) Dave Upthegrove, King County Councilmember
(P) 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.

Citizen Oversight Panel Annual Report

Scott Lampe, COP Chair presented the 23rd annual year-end report of the Citizen Oversight Panel (COP), which provides the panel's assessment of Sound Transit's performance. He noted that the report is a synopsis of the year 2019, which was drafted before the outbreak of the coronavirus. The framework for the year-end report is the COP's authorizing legislation, which requires that it monitor seven major areas of Sound Transit's performance: Public participation in plan implementation, Evaluation of project alternatives and recommendations, Annual capital and operating budgets and plan of finance, Regional fund management, Equity, subarea budgets, and financial reporting, Schedule and budget adherence, Annual performance review audits.

For 2019, the COP recognized Sound Transit's accomplishments in system expansion construction, the execution of the Full Funding Grant Agreement for the Federal Way Link Extension, communications and outreach efforts including the Connect 2020 effort and public involvement in project planning, the sustainability program, and the award of System Access Grants in 2019. The report also notes issues of

concern to the COP including safety with respect to the 2017 Point Defiance Bypass derailment, the uncertainty around state and federal funding sources with the passage of I-976, the impact of emerging technologies on Sound Transit's operations and ridership, and concerns about ridership on Sounder North. The COP also highlighted the need for further work to advance social equity and also to improve transit integration with regional partners. Mr. Lampe thanked the Board for the opportunity to express its insights and the seriousness with which the Board takes our observations and recommendations.

Chair Keel thanked Mr. Lampe and the Citizen Oversight Panel for the presentation, also thanking the Panel's work throughout the year to review the agency's activities and produce this annual report and noted the detail provided. Boardmember Smith, Balducci and Roberts echoed the Chair's comments.

CEO Report

CEO Rogoff provided the report.

Establishing the offices of Civil Rights, Equity & Inclusion and Labor Relations

Sound Transit has created a new Civil Rights, Equity and Inclusion (CREI) Office that consolidates previously separate agency functions into one office, including Title VI, Equal Employment Opportunity, Equity and Inclusion, and Disadvantaged Business Enterprises. It's envisioned that this new office would be an accessible "Civil Rights Office" for our communities, and also as an internal resource to further integrate equity into all Sound Transit departments and initiatives. Current Chief EEO, Equity and Inclusion Officer, Jackie Martinez-Vasquez will oversee the new office, and will report directly to the CEO. Chief Business & Labor Compliance Officer, Leslie Jones will head a new Office of Labor Relations that will be laser-focused on increasing our already significant integration with the labor community.

State Auditor's Office Performance Audit

On June 18, the agency responded to the Washington State Auditor's Office's performance audit of Sound Transit. The audit offered a number of recommendations that Sound Transit agrees with, and in some instances has already implemented. The audit focused on Sound Transit change orders, and staff recognizes that every dollar entrusted to Sound Transit is important for implementing regional transit investments. The audit also recommends adopting a lessons-learned program to track and incorporate lessons into future project planning. Sound Transit agrees with the recommendation to use past change orders to help determine the likelihood of adverse conditions for current, similar projects. The agency's total change orders for \$2.3 billion worth of construction projects amount to 8 percent of contract values, but staff is committed to taking action to improve in this area by continuing to implement field investigations early in design process and has already been working in partnership with the consultant industry to identify root causes and long-term solutions to reduce the number of design deficiencies.

INVEST Act

The U.S. House Transportation & Infrastructure Committee approved the INVEST in America Act, a five-year reauthorization of federal surface transportation programs. The bill would authorize a significant increase in funding for public transit, and includes a provision that would allow Sound Transit to increase its federal grants on the Lynnwood and Federal Way projects by 30 percent. CEO Rogoff sent a letter to the Committee chair thanking him for this effort. Sound Transit also joined dozens of similar agencies in urging more federal support for transit to respond to lost revenues.

FTA Award for Everett

The Federal Transit Administration (FTA) has awarded Sound Transit \$2 million for development of a model code to facilitate transit-oriented development (TOD) and expedite permitting along the Everett Link Extension. The grant applies to the planning phase of the extension project and will help Sound Transit collaborate with the cities of Everett and Lynnwood and Snohomish County. In collaboration with

Everett, Lynnwood, Snohomish County and the Puget Sound Regional Council, Sound Transit will research case studies and model regulatory language for best practices for municipalities to prepare for coming light rail service. This would include policies and regulations to implement TOD, right-sized parking, form based and inclusionary zoning, design standards, multimodal transportation and effective economic development techniques.

Columbia City TOD

Sound Transit has received hundreds of emails from community members about surplus property in Columbia City along Martin Luther King Jr. Way and South Angeline Street. The agency appreciates the time that people have taken to reach out. The property in question is a subset of a group of properties that have been part of a two-year effort to create affordable homeownership opportunities in the Rainier Valley in partnership with the City of Seattle's Office of Housing. Staff has heard an additional need in the community for transitional housing, particularly to support black and brown youth. Given interest in addressing this need with a Youth Achievement Center, Sound Transit staff will continue conversations with the community, the City of Seattle, and the FTA, who owns an interest in the property, to develop the best path forward for equitable solutions that will be brought back to the Board for consideration at a future date.

External Engagement

The June external engagement report summarized the work taking place with jurisdictions and stakeholders across the region. The next few months will be focused on presenting realignment information across the region, along with progress reports on the construction that is underway.

Update to Simplified Acquisition Threshold

A memo was distributed to Board members outlining a change to the Simplified Acquisition Threshold or SAT. The SAT is the federal index adopted by the Board that establishes some of the dollar thresholds in the Board's Procurement and Delegated Authority policy. The policy requires the CEO to inform Board members if there is an increase. The SAT has been raised from \$150,000 to \$250,000 and the memo outlines the specific policy thresholds that are affected.

New Board Administration Staff

CEO welcomed a new addition to Board Administration, Josephine Gamboa. Josephine will be working with Board members to provide Board and Committee meeting materials and gather attendance information now that Tony Thompson has transitioned to his office as the Sr. Executive Assistant to the CEO. Josephine transferred into Board Administration from the Customer Service group, she has the benefit of already being familiar with the agency and the Board's work.

Passing of Paul W. Locke

Paul W. Locke passed away at the age of 97. Paul was a fixture in the Ruth Fisher Boardroom, at City Hall, and at other civic meetings for decades, with passionate calls for efficient public spending and his signature call for automated transit. In his last years as his mobility declined, he remained independent and still made it to nearly all meetings. True to form, staff was informed that in his last moments he watched the May Board of Directors meeting.

Public Comment

The Board welcomes public comment as an important part of the public process. Comments are received and considered by the Board in its deliberations. Chair Keel announced that due to the Governor's order and Motion No. M2020-23 approved last month, the Board is only accepting public comment via email.

Board members received written comments submitted by 12:30pm on June 25, 2020 by the following people:

Katie Wilson, General Secretary of the Transit Riders Union

Hester Serebrin, Policy Director of Transportation Choices

Hally Bert, on behalf of Downtown on the Go

Will Knedlik

Vernon Schrag

Amanda DeShazo, Executive Director of the Tacoma-Pierce County Affordable Housing Consortium

Chair Keel stated that in addition to the public comments received for this meeting, the Board has also has also received a great many emails about the need for transitional housing and a Youth Achievement Center to better address the needs of the Rainier Valley community. Chair Keel acknowledged the pain and turmoil that surrounds the community and the strong voices being heard as so many join together to call out the racial and social inequities built into the fabric of our society. For many, the pandemic laid bare the harsh, ugly realities that go back generations and the Sound Transit Board is hearing from many in our communities who are rightly demanding change and a more equitable future.

The information CEO Rogoff shared earlier about the new offices of Civil Rights, Equity & Inclusion demonstrates the agency's commitment to build an agency that puts equity and inclusion in the forefront, improves how we engage with the communities we serve; and most importantly, acts from a place of respect and equity for all our customers.

Consent Agenda

Voucher Certification: May 2020

Minutes: May 28, 2020 Board of Directors Meeting

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

Ayes

Nancy Backus

David Baker

Claudia Balducci

Bruce Dammeier

Joe McDermott

Debora Juarez

Ed Prince

Paul Roberts

Nays

Kim Roscoe

Dave Somers

Nicola Smith

Dave Upthegrove

Pete von Reichbauer

Victoria Woodards

Kent Keel

It was carried by unanimous vote of 15 Boardmembers that the Consent Agenda be approved as presented.

Business items

Motion No. M2020-30: Approving the annual Public Transportation Agency Safety Plan for submittal to the Washington State Department of Transportation's State Safety Oversight Office.

Motion No. M2020-30 was moved by Boardmember Roberts and seconded by Boardmember Smith.

Boardmember Roberts, Rider Experience and Operations Committee Chair spoke to this action noting that the Committee reviewed this action at its May meeting and forwarded it to the Board with a do pass

recommendation. Erin Brumbaugh, Program Manager-Safety Management System, provided the staff report and responded to Boardmember questions.

Amending the adopted budget requires a supermajority vote of the Board, which is 12 affirmative votes.

Ayes

Nancy Backus
David Baker
Claudia Balducci
Bruce Dammeier
Dow Constantine
Debora Juarez
Joe McDermott
Ed Prince

Nays

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

It was carried by unanimous vote of 16 Boardmembers that Motion No. M2020-30 be approved as presented.

Resolution No. R2020-12: Amending the Adopted 2020 Budget by increasing the Hilltop Tacoma Link Extension baseline budget by \$35,400,000 from \$217,346,000 to \$252,746,000 to provide funding required to complete the project to meet the planned revenue service date.

- Hilltop Tacoma Link Extension Briefing

Boardmember Balducci, System Expansion Committee Chair spoke to this action noting that the Committee reviewed this action at its June meeting and forwarded it to the Board with a do pass recommendation.

Madeleine Greathouse, Project Director, and Ron Lewis Executive Director of Design, Engineering and Construction Management, provided the presentation and responded to Board member questions.

The full Board was briefed in July 2019 on the cost pressures highlighted as a result of the May 2019 quantitative risk assessment which indicated a 20 percent likelihood the project would be completed within the approved baseline budget. In December 2019, in conjunction with a Board action to increase the contingency with Walsh, the Board was informed that additional funding would be required to complete the project and staff would return this year with the request to increase the project budget. The reasoning behind this “two-step” approach is that staff would be able to provide a realistic estimate at completion toward the end of the difficult and challenging utility relocation work. The actions on this agenda are the result of this year’s effort.

In September 2017, there were nine months of project float—much of which has been consumed by the extended duration of the utility work. While the substantial completion of the construction work has been extended, all of the agencies risk assessments and regular updates to the project schedule point to a high likelihood the revenue service date will be met.

In December 2019, staff provided an update to the Board which highlighted concerns regarding Walsh’s performance on key workforce utilization and DBE goals. Representatives from Walsh attended that meeting and during the public comment period stated that they would be at or above the Agency’s goals by June 2020. There has been improvement across the board but staff still has concerns about apprenticeship numbers. Sound Transit directed Walsh to submit a corrective action plan to show how they will meet the goal by the end of construction work.

Mrs. Greathouse summarized project cost pressures and impacts to the budget. The estimate at completion assumes changes and trends will continue at current ratio, prorated for the remaining 44 percent of construction. The assumptions are pessimistic, but staff feels that the assumptions are realistic based on the project experience to-date. Because of the extended duration of the construction

work, there are associated increases in agency staff costs and professional service contracts needed to support the project.

Ron Lewis, Executive Director of Design, Engineering and Construction Management joined the conversation to provide the perspective on lessons learned and how the Hilltop Extension compares to the overall Sound Transit portfolio.

Resolution No. R2020-12 was moved by Boardmember Balducci and seconded by Boardmember Baker.

Boardmember Dammeier voiced concerns over the project challenges, including the 35 million dollar cost increase, and the impact to the community that has gone beyond anything that he has seen in any construction project during his time as a civil engineer. Boardmember Woodards echoed Executive Dammeier’s comments saying that he is absolutely correct with regards to the impact to the local community. Boardmember Woodards asked her fellow Boardmembers for support to help minimize impact to the community, emphasizing the small businesses and encouraged the Board moving forward with this action.

CEO Rogoff agreed in many respects, that this has been an outlier including in the portfolio. It has been an outlier in terms of how wrong the as-built drawings were that staff was working with. Matured cities have many unknown issues that lie beneath the ground. Mr. Rogoff echoed the disappointment with the contractor’s performance and that the agency is working to ensure a better result.

Keel as a member of Pierce County he has heard of the issues in the City and his plan is to continue to work closely with CEO Rogoff and staff. He also stated that though he appreciates the lessons learned, he would like to hear more about the community engagement.

Ayes

Nancy Backus
David Baker
Claudia Balducci
Dow Constantine
Bruce Dammeier
Joe McDermott
Debra Juarez
Roger Millar

Nays

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

It was carried by unanimous vote of 16 Boardmembers that Resolution No. R2020-12 be approved as presented.

Motion No M2020-31: Authorizing the chief executive officer to increase the contract contingency for the Hilltop Tacoma Link Extension construction contract with Walsh Construction Company II LLC in the amount of \$27,400,000 for a new total authorized contract amount not to exceed \$145,409,750 contingent upon Board approval of Resolution No. R2020-12.

Motion No. M2020-31 was moved by Boardmember Balducci and seconded by Boardmember Woodards.

Ayes

Nancy Backus
David Baker
Claudia Balducci
Dow Constantine
Bruce Dammeier
Jenny Durkan
Debra Juarez
Joe McDermott
Roger Millar

Nays

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

It was carried by unanimous vote of 17 Boardmembers that Motion No. M2020-31 be approved as presented.

Resolution No. R2020-13: Authorizing the chief executive officer to acquire certain real property interests, including acquisition by condemnation to the extent authorized by law, and to reimburse eligible relocation and reestablishment expenses incurred by affected owners and tenants as necessary for the Federal Way Link Extension.

Boardmember Balducci, System Expansion Committee Chair spoke to this action noting that the Committee reviewed this action at its June meeting and forwarded it to the Board with a do pass recommendation.

Mike Bulzomi, Deputy Director of Project Delivery was available for Boardmember questions.

Resolution No. R2020-13 was moved by Boardmember Balducci and seconded by Boardmember Backus.

Ayes

Nancy Backus
David Baker
Claudia Balducci
Dow Constantine
Bruce Dammeier
Jenny Durkan
Debora Juarez
Joe McDermott
Roger Millar

Nays

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

It was carried by unanimous vote of 17 Boardmembers that Resolution No. R2020-13 be approved as presented.

Motion No M2020-35: Authorizing the chief executive officer to execute a betterment agreement with King County to reimburse Sound Transit for the cost of design and construction services for King County's Eastrail project within the East Link Extension in the amount of \$340,000.

Boardmember Balducci, System Expansion Committee Chair spoke to this action noting that the Committee reviewed this action at its June meeting and forwarded it to the Board with a do pass recommendation.

Motion No. M2020-35 was moved by Boardmember Balducci and seconded by Boardmember Baker.

Ayes

Nancy Backus
David Baker
Claudia Balducci
Dow Constantine
Bruce Dammeier
Jenny Durkan
Debora Juarez
Joe McDermott
Roger Millar

Nays

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

It was carried by unanimous vote of 17 Boardmembers that Motion No. M2020-35 be approved as presented.

Program Realignment Presentation

Chair Keel stated that the realignment discussion builds off the June 2, 2020 Program Realignment Board workshop where the Board talked through the current and projected finances and looked at the tools available to manage the capital program. The Board also discussed evaluation criteria that the Board could use to make decisions as the agency's financial circumstances become clearer.

At the June Executive Committee meeting, the committee continued the discussion of realignment criteria and Executive Constantine brought forward a motion that underscores the importance of looking at multiple potential revenue outcomes. Chair Keel noted that the Executive Committee discussion was robust and while Board members were expressing similar views, there was not a clear, common understanding of our next steps, which created some uncertainty.

Chair Keel stated that he worked with the Vice-Chairs and CEO Rogoff to describe a path forward and distributed that document to the Board. The document was developed to provide some clarity about how the Board will approach realignment decisions in the months ahead, and that in combination with criteria and various revenue scenarios, the Board can make future decisions as the financial picture comes into focus.

Chair Keel outlined the two motions on program realignment that were discussed at the Executive Committee. Motion No. M2020-36 proposes a total of eight criteria, five are the principles the Board used in compiling the ST3 plan back in 2016, and three are additional criteria discussed at the Board workshop. The evaluation criteria identified will help the Board meet the objectives of the plan approved by voters. Motion No. M2020-37 was forwarded by the Executive Committee with a do-pass recommendation, and directs staff to develop and present realignment scenarios utilizing currently planned financial resources and alternative scenarios that would utilize a variety of tools which could include but are not limited to state funds, additional federal funds and increased debt capacity.

CEO Rogoff stated that the path forward staff is presenting was based on the Chair and Vice-Chairs direction, which takes a more incremental approach to realignment. It identifies what decisions need to be made this year to continue to advance projects in a fiscally prudent manner while providing time for the financial impacts of the recession to become clearer, and for additional funding opportunities to be pursued. It also establishes clear expectations about project delivery timelines by mid-2021. The criteria the Board considers will inform both near-term and long-term decisions.

Don Billen, Executive Director of Planning, Environment and Project Development and Tracy Butler, Chief Financial Officer, provided the report and responded to Board member questions. Ms. Butler provided an economic and financial update showing that current revenue loss projections range from \$.07 billion to \$1 billion for 2020 and 2021, and \$8 billion to \$12 billion through 2041. Mr. Billen reviewed the path forward for program realignment, including looking at construction and project development plans through 2021 in Q3 and Q4 of 2020, and a Board decision on comprehensive program realignment in July 2021. To support the Board decision on realignment, staff will prepare scenarios while engaging with the public. The program realignment will establish a revised schedule and funding that is affordable within the financial plan. Mr. Billen provided an example of one potential scenario that is affordable in the financial plan—a five year delay to projects that are not yet baselined. Next steps include program status briefings and shovel readiness actions in Q3/Q4, the Board's adoption of the annual budget and Transit Improvement Plan in December 2020, public engagement and scenario refinement in Q1/Q2 2021, and Board adoption of a comprehensive program realignment in July 2021.

Mr. Billen responded to a question from Boardmember Juarez that shovel readiness (at a minimum) means completing environmental review to allow projects to be submitted for grants. Extensive public outreach and engagement would also take place.

In response to a question from Boardmember Backus, Mr. Billen and CEO Rogoff noted that connections to centers and multi modal connections are captured in criteria the Board is considering, including connecting centers. Mr. Billen also noted that transit integration, land use and sustainability are principal design considerations that apply to every project that moves forward. Mr. Rogoff also stressed the importance of coordination with the partner agencies.

Motion No. M2020-36: Adopting realignment criteria to help inform the Board on how to best achieve the objectives of the Sound Transit 2 and Sound Transit 3 plans when making upcoming realignment decisions.

Motion No. M2020-36 was moved by Boardmember Keel and seconded by Boardmember Baker.

Boardmember Roberts, spoke to thank the Chairs commitment for doing the best for this region which is simply reflected in this work.

Boardmember Smith appreciates the preservation of the 2015 criteria and the additional criteria from staff to help determine.

Ayes

Nancy Backus
David Baker
Claudia Balducci
Dow Constantine
Bruce Dammeier
Jenny Durkan
Debora Juarez
Joe McDermott
Roger Millar

Nays

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

It was carried by unanimous vote of 17 Boardmembers that Motion No. M2020-36 be approved as presented.

Motion No M2020-37: Directing staff to develop and present to the Board realignment scenarios utilizing currently planned financial resources and alternative scenarios that would utilize a variety of tools which could include but are not limited to state funds, additional federal funds and increased debt capacity to inform the Board on how to best achieve the objectives of the Sound Transit 2 and Sound Transit 3 plans when making upcoming realignment decisions.

Boardmember Constantine, spoke to this action noting that the Executive Committee reviewed this action at its June meeting and forwarded it to the Board with a do pass recommendation. This is a companion to the earlier motion.

Motion No. M2020-37 was moved by Boardmember Constantine and seconded by Boardmember Roberts.

Ayes

Nancy Backus
David Baker
Claudia Balducci
Dow Constantine
Bruce Dammeier
Jenny Durkan
Debora Juarez
Joe McDermott
Roger Millar

Nays

Ed Prince
Paul Roberts
Kim Roscoe
Nicola Smith
Dave Upthegrove
Pete von Reichbauer
Victoria Woodards
Kent Keel

It was carried by unanimous vote of 17 Boardmembers that Motion No. M2020-37 be approved as presented.

Report to the Board

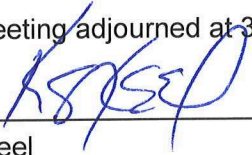
None.

Next meeting

The next regular Board meeting would be held on Thursday, June 25, 2020, 1:30 to 4:00 p.m. as a virtual meeting via WebEx.

Adjourn

The meeting adjourned at 3:28pm.



Kent Keel
Board Chair

ATTEST:



Kathryn Flores
Board Administrator

APPROVED on July 23, 2020, TW.