



## Summary Minutes

### System Expansion Committee Meeting February 10, 2022

#### Call to order

The meeting was called to order at 1:31 p.m. by Committee Chair Balducci virtually on WebEx.

#### Roll call of members

Chair	Vice Chair
(P) Claudia Balducci, King County Councilmember	(P) Kim Roscoe, Fife Mayor

Board Members	
(A) Nancy Backus, Auburn Mayor	(P) Kent Keel, University Place Mayor
(P) David Baker, Kenmore Councilmember	(P) Joe McDermott, King County Council Vice President
(P) Cassie Franklin, Everett Mayor	(P) Dave Somers, Snohomish County Executive
(P) Bruce Harrell, Seattle Mayor	

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

#### Report of the Chair

##### Welcome to new members

Chair Balducci welcomed new System Expansion Committee members Bruce Harrell, Cassie Franklin, Joe McDermott, and Dave Somers.

##### Revised Agenda

The agenda had been revised to remove the Tacoma Dome Link Extension project update, which would be delivered at a future meeting.

##### Monthly Contract Report and Agency Progress Report

The meeting packet included the monthly contract report and the December agency progress report.

#### CEO Report

Chief Executive Officer Peter Rogoff provided the CEO Report.

Cost Savings Work Plan – Mr. Rogoff reported that the agency began an updated approach to cost savings in mid-2021 in response to the approval of Resolution R2021-05 which outlined the Board’s realignment decisions. This committee will be receiving this report quarterly to keep the committee and Board at large informed on the cost savings plan.

Update on Concrete Driver Strike – The concrete delivery strike has now entered its 69th day and continues to have a significant impact on agency projects in King County. Since the strike began, Sound Transit has missed delivery of more than 26,100 cubic yards of concrete. That’s equivalent to more than

2,600 truckloads, or for perspective, a line of concrete trucks stretching more than 17 miles in length, from the Fremont neighborhood here in Seattle all the way to SeaTac Airport.

Within the next two weeks, advancing agency projects requires more than 650 more deliveries that will be missed without resolution of the strike. One of the most troubling aspects of the strike is the toll it is taking on the workforce. The lack of concrete means delays to associated work. As a result, contractors have had to lay off 230 workers so far. Another 160 workers are expected to be laid off in the coming weeks if the strike isn't settled. Together, the impact of the strike on projects and on the workforce serves to underscore the urgency of the situation.

CEO Rogoff reported that he participated in a King County media event with Board members Constantine and Harrell. At the event, the County discussed a Request for Qualifications (RFQ) that it has released seeking to guarantee a supply of concrete to meet the needs of County construction projects over the next three to six years. One of the qualifications to obtain the contract is to have a collective bargaining or some other agreement in place to ensure labor disputes do not impact future construction. Other public entities will be able to mirror the King County proposal and use similar qualifications.

Agency staff will continue to do everything they can to encourage resolution of this matter to move the capital program and the region forward.

Transportation Package unveiled in Olympia – The leadership of the House and Senate Transportation Committees, Jake Fey and Marko Liias, released a transportation revenue proposal -- a \$16.8 billion package over 16 years. The proposal includes \$60 million to benefit Sound Transit light rail projects, including two direct appropriations to Sound Transit which is unprecedented in recent times.

The proposal falls short in terms of the Board's full 2022 legislative agenda since it does not include the request to exempt "rolling stock" purchases from state sales tax nor the request to restore the agency's eligibility to receive state transportation grant funds.

However, the package does propose that Sound Transit would receive two direct appropriations of \$20 million each for access and multimodal investments for access to light rail at South 356th Street in Federal Way, the location of the South Federal Way light rail station, and access to light rail between Fife and Tacoma. In this portion of the Tacoma Dome extension there are three stations: at Fife, East Tacoma, and the Tacoma Dome.

Parking investments were delayed by the Board in the realignment action last year and are in Tier 4. But the light rail extensions still have their transit integration and non-motorized access allowances, so it appears that these state funds would augment those dollars. The Board will need to determine if and how to spend these access allowances and any state appropriated funds, if approved in a final package. The state package does not specify when the state funds would be available.

Federal Update – Congress is working to extend funding for the government through March 11, since the current "continuing resolution" expires next on February 18. The agency's Federal Way and Lynnwood Link federal grant agreements have been allocated \$100M each from both the House and Senate and staff expect that to carry forward in any final bill.

President Biden's State of the Union address on March 1, 2022, and staff expect that President Biden will submit his proposed fiscal year 2023 budget shortly after his address, kicking off the annual appropriations process. Staff anticipate that Sound Transit will be included in the Biden proposal for \$100m for each of our current grants – Lynnwood and Federal Way.

GC/CM Re-Certification – Finally, on January 27, 2022, Sound Transit's application for GC/CM recertification was approved unanimously by the State of Washington's Capital Project Advisory Review Board's Project Review Committee or PRC. Sound Transit and other public bodies must apply for

certification or recertification to use the design-build or general contractor/construction manager contracting procedure.

The certification allows Sound Transit to use the contracting procedure on individual projects without seeking PRC approval for a period of three years. Members of the PRC also spoke favorably about Sound Transit and efforts to be inclusive. While this effort was led by Procurement and Contracts, other departments were very involved in the application and presentation, including DECM, CREI, Labor Compliance and Legal. This was a collaborative effort by this integrated team.

## **Public comment**

Chair Balducci announced that public comment would be accepted via email to [emailtheboard@soundtransit.org](mailto:emailtheboard@soundtransit.org) and would also be accepted verbally.

There were no public comments.

## **Business items**

### **For Committee Final Action**

Minutes: January 13, 2022 System Expansion Committee meetings

**It was moved by Boardmember Roscoe, seconded by Boardmember Baker, and carried by unanimous voice vote that the minutes of the January 13, 2022 meeting be approved as presented.**

Motion No. M2022-09: Authorizing the chief executive officer to execute contract modifications to specific light rail vehicle contracts for the Hilltop Tacoma Extension with (a) Brookville Equipment Corporation for light rail vehicles in the amount of \$5,000,000, with a 10 percent contingency of \$500,000 totaling \$5,500,000, for a new total authorized contract amount not to exceed \$35,725,025; and (b) LTK Engineering Services LLC for light rail vehicle testing and inspection services in the amount of \$874,191, with a 10 percent contingency of \$87,419 totaling \$961,610, for a new total authorized contract amount not to exceed \$4,909,264, all contingent upon Board approval of Budget Amendment through Resolution No. R2022-03.

Madeleine Greathouse, Hilltop Tacoma Link Extension Project Director, provided the presentation. She reviewed the Hilltop Tacoma Link Extension project, noting that the project was approximately 76 percent complete. She discussed the project budget. Trends indicated that the baseline budget was insufficient, and more funds would be required.

The cost increase and schedule delays were primarily due to three factors. The factors included change orders driven by design revisions and contractor performance issues, administration cost increases as a follow-on effect of the construction delays and design revisions, and finally, vehicle delivery schedules.

Ms. Greathouse provided pictures displaying the progress of the project and the new light rail vehicles in Brookville Pennsylvania.

Remaining work involved station finishes, curb and gutter reconstruction, roadway restoration, and other matters for civil work. The elongation of the project schedule also causes increases in construction management costs.

Ms. Greathouse reviewed the four actions in front of the committee, which included two contract actions, a budget resolution, and amending the Construction Service Agreement with the City of Tacoma.

Boardmember McDermott asked whether the uncommitted funds in the budgetary infographic would be considered budget surplus at the end of the project. Ms. Greathouse advised that those funds would be spent but were not committed in executed contracts at the time.

CEO Rogoff reviewed the past setbacks for the project for the new committee members. Those primarily being utility relocation work, which was unexpected. Boardmember Balducci added that the project was baselined in 2017, and she appreciated the transparency from the project team over the years relating to the changes in cost and the timeline pressures.

Boardmember Somers was curious whether this would be the last budget amendment request. He heard from CEO Rogoff's comment that it was possible but very uncertain. Ron Lewis, Executive Director of Design, Engineering, and Construction Management advised that staff was expecting a claim from the contractor which was not captured in this budget amendment.

Chair Keel advised that his focus would be to push through the project and delivering it to the community. He asked that as the project continued, the agency continue to keep all parties in mind, including riders, the community, and sub-contractors.

**Motion No. M2022-09 was moved by Boardmember Roscoe and seconded by Boardmember Keel. Chair Balducci called for a roll call vote.**

**Ayes**

David Baker  
Cassie Franklin  
Bruce Harrell  
Kent Keel  
Joe McDermott  
Kim Roscoe  
Dave Somers  
Claudia Balducci

**Nays**

**It was carried by unanimous vote of the members present that Motion No. M2022-09 be approved as presented.**

**For Recommendation to the Board**

Resolution No. R2022-03: Amending the Adopted 2022 Budget for the Hilltop Tacoma Link Extension to provide funding required to complete the extension to meet the forecast revenue service date by a) increasing the authorized project allocation by \$30,000,000 from \$252,746,000 to \$282,746,000, and b) increasing the adopted 2022 annual project budget by \$30,000,000 from \$36,475,000 to \$66,475,000, partially offset by \$20,700,000 in secure American Rescue Plan federal grant funds.

Chair Balducci advised that the committee already received a presentation on this action.

**Resolution No. R2022-03 was moved by Boardmember Roscoe and seconded by Boardmember Baker.**

Boardmember McDermott asked how the \$20,700,000 in federal grants related to the action. CEO Rogoff advised that the net increase was \$30,000,000. The \$20,700,000 was included in that, which would not be carried by the taxpayers.

**Chair Balducci called for a roll call vote.**

**Ayes**

David Baker  
Cassie Franklin  
Bruce Harrell  
Kent Keel  
Joe McDermott  
Kim Roscoe  
Dave Somers  
Claudia Balducci

**Nays**

**It was carried by unanimous vote of the members present that Resolution No. R2022-03 be forwarded to the Board with a do-pass recommendation.**

Motion No. M2022-10: Authorizing the chief executive officer to execute contract modifications to specific contracts for the Hilltop Tacoma Extension with (a) Walsh Construction Co. II, LLC for civil and systems construction services for an additional \$3,000,000 in contract contingency for a new total authorized contract amount not to exceed \$150,011,050, (b) Jacobs Project Management Company for civil and systems construction management services in the amount of \$4,699,685, with a 10 percent contingency of \$469,969, totaling \$5,169,654, for a new total authorized contract amount not to exceed \$16,676,784; and (c) HDR Inc. for design services during construction in the amount of \$2,000,000, with a 10 percent contingency of \$200,000, totaling \$2,200,000, for a new total authorized contract amount not to exceed \$15,649,658, all contingent upon Board approval of a Budget Amendment through Resolution No. R2022-03.

Chair Balducci advised that the committee already received a presentation on this action.

**Motion No. M2022-10 was moved by Boardmember Roscoe and seconded by Boardmember McDermott. Chair Balducci called for a roll call vote.**

**Ayes**

David Baker  
Cassie Franklin  
Bruce Harrell  
Kent Keel  
Joe McDermott  
Kim Roscoe  
Dave Somers  
Claudia Balducci

**Nays**

**It was carried by unanimous vote of the members present that Motion No. M2022-10 be forwarded to the Board with a do-pass recommendation.**

Motion No. M2022-11: Authorizing the chief executive officer to (1) increase the City Services Agreement authorized reimbursement amount to the City of Tacoma for construction support services for the Hilltop Tacoma Link Extension by \$1,430,000, with 10 percent contingency of \$143,000, for a total authorized cost reimbursable agreement amount not to exceed \$6,613,449; (2) accept in-kind and cost reimbursable from the City in an amount not exceed \$5,172,651; and (3) execute work order 12 under the agreement.

Chair Balducci asked for more details about the action.

Ms. Greathouse advised that the city of Tacoma contributed approximately \$47 million in funds to the project. Some of the contributions were considered in-kind, however they were budgeted in the construction phase. The city was conducting agreed upon work which needed to be paid through this action.

**Motion No. M2022-11 was moved by Boardmember Keel and seconded by Boardmember Roscoe. Chair Balducci called for a roll call vote.**

**Ayes**

David Baker  
Cassie Franklin  
Bruce Harrell  
Kent Keel  
Joe McDermott  
Kim Roscoe  
Dave Somers  
Claudia Balducci

**Nays**

**It was carried by unanimous vote of the members present that Motion No. M2022-11 be forwarded to the Board with a do-pass recommendation.**

Motion No. M2022-12: Authorizing the chief executive officer to exercise a contract option with HDR Engineering, Inc. to provide project development services for the Operations and Maintenance Facility South within the Tacoma Dome Link Extension project in the amount of \$30,180,256 with a ten percent contingency of \$3,018,026, totaling \$33,198,282, for a new total authorized contract amount not to exceed \$84,870,550.

Curvie Hawkins, Project Development Director for OMF South and the Tacoma Dome Link Extension, provided the presentation for the action. He outlined the action and introduced Gwen McCullough, High-Capacity Transit Development Manager for the OMF South.

Ms. McCullough outlined the proposed action which would modify the consultant services contract with HDR Engineering, Inc. (HDR) to exercise a contract option for Phase 3 Final Environmental Impact Statement (EIS) work for the light rail Operations and Maintenance Facility South including preparation of a Final EIS and design of the preferred alternative identified by the Board to 30 percent design (or development of project requirements if a design-build project delivery approach is chosen).

The initial contract with HDR for Phase 1 of the project development included contract options for the completion of Phases 2 and 3. HDR has satisfactorily completed Phase 1 and Phase 2 for the OMF South, and authorization is sought to exercise Sound Transit's option to proceed with Phase 3 for the OMF South, for the amount negotiated. Mrs. McCullough outlined the budget of the project and the affordability status within the Board's realignment direction.

Boardmember Franklin asked what risks were involved in the site. Mr. Hawkins advised that that the Board identified the South 336 Street site as the preferred alternative. As the Final Environmental Impact Statement advances, all three sites would still be reviewed. All sites carried some risk, but the Board ultimately selected its preferred alternative.

Boardmember Balducci clarified that the Board would select a project to be built following the publication of the Final Environmental Impact Statement.

Mr. Hawkins and CEO Rogoff offered to brief and host tours for the new Boardmembers of all sites in question and all other potential sites for future project preferred alignment decisions. Boardmember Roscoe offered to host Boardmember Franklin and others on those tours.

Boardmember Keel asked how much more work would be conducted on the sites. Mr. Hawkins advised that staff would primarily be working on advancement of the preferred alternative. Don Billen, Executive Director, Planning Environment & Project Development, advised that per state and federal law, the Board would still need to remain open to all alternatives until publication of the Final Environmental Impact Statement. From an environmental perspective, all sites would be analyzed to an equal degree, however as a practice, the agency advances design of the preferred alternative at somewhat of a risk, with the potential to increase the timeline.

**Motion No. M2022-12 was moved by Boardmember Baker and seconded by Boardmember Roscoe. Chair Balducci called for a roll call vote.**

**Ayes**

David Baker  
Cassie Franklin  
Bruce Harrell  
Kent Keel  
Joe McDermott  
Kim Roscoe  
Dave Somers  
Claudia Balducci

**Nays**

**It was carried by unanimous vote of the members present that Motion No. M2022-12 be forwarded to the Board with a do-pass recommendation.**

Resolution No. R2022-04: Authorizing the chief executive officer to acquire or lease 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 Downtown Redmond Link Extension.

Faith Roland, Director of Real Property, provided the presentation for the action. This action would authorize the acquisition of all or part of one parcel located in Redmond. Acquisitions consist of temporary construction easements for utility purposes for the Downtown Redmond Link Extension. The property is needed for temporary construction activities for utility purposes. This action would accommodate the work required to replace a Puget Sound Energy gas line impacted by the project for the Downtown Redmond Link Extension.

Boardmember Franklin asked how the decision is made to lease or purchase. CEO Rogoff explained that this is typically a decision made at the project level. In some cases, the lease costs would be higher than purchasing the property, and an action like this would allow staff the flexibility to make that decision in the moment.

Boardmember Harrell asked if these actions were so monetarily insignificant that they did not require budget oversight. CEO Rogoff advised that right-of-way costs are built into project budgets. Boardmember Harrell clarified that in his experience actions such as this could snowball and lead to unexpected cost overruns. He was curious how the agency restrained those potential runaway costs. CEO Rogoff explained that project budgets were baselined at 60 percent design. As projects continued, staff issued several progress reports, and included transparency measures to ensure that the Board had visibility in any potential cost increases.

**Resolution No. R2022-04 was moved by Boardmember Franklin and seconded by Boardmember Harrell. Chair Balducci called for a roll call vote.**

**Ayes**

David Baker  
Cassie Franklin  
Bruce Harrell  
Kent Keel  
Joe McDermott  
Kim Roscoe  
Dave Somers  
Claudia Balducci

**Nays**

**It was carried by unanimous vote of the members present that Resolution No. R2022-04 be forwarded to the Board with a do-pass recommendation.**

Resolution No. R2022-01: Authorizing the chief executive officer to acquire or lease 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.

Faith Roland, Director of Real Property, provided the presentation for the action. This action would authorize the acquisition of temporary easements for portions of two parcels. These parcels are located in the City of Kent, and necessary for the Federal Way Link Extension.

**Resolution No. R2022-01 was moved by Boardmember Harrell and seconded by Boardmember Franklin. Chair Balducci called for a roll call vote.**

**Ayes**

David Baker  
Cassie Franklin  
Bruce Harrell  
Kent Keel  
Joe McDermott  
Kim Roscoe  
Dave Somers  
Claudia Balducci

**Nays**

**It was carried by unanimous vote of the members present that Resolution No. R2022-01 be forwarded to the Board with a do-pass recommendation.**

**Reports to the Committee**

Discussion on 2022 System Expansion Committee Work Plan

Chair Balducci reminded the committee that an annual work plan is created to provide an overview of the year ahead. Chair Balducci outlined the work plan, which was shared with the committee at the previous meeting. The main three work topic areas included transactional matters to advance system expansion programs, capital program and realignment implementation, and topics of special interest to the committee.

Boardmember Keel asked how Chair Balducci thought the adopted procedures in the realignment resolution were realized in the work plan. Chair Balducci advised that she would review the plan and assure that all pieces were present. Deputy CEO Kimberly Farley advised that staff was actively working to determine which portions of the realignment plan were aligned with the appropriate committees.

**Executive session** - None.

**Other business** - None.

**Next meeting**

Thursday, March 10, 2022  
1:30 p.m. to 4:00 p.m.  
Virtually via WebEx



## Adjourn

The meeting adjourned at 3:17 p.m.



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Claudia Balducci  
System Expansion Committee Chair

ATTEST:



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Kathryn Flores  
Board Administrator

APPROVED on March 10, 2022, AM.