



Summary Minutes

Board Meeting
May 26, 2022

Call to order

The meeting was called to order at 1:33 p.m. by 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) Dave Somers, Snohomish County Executive |

| Board members | |
|--|---|
| (P) Nancy Backus, City of Auburn Mayor | (P) Joe McDermott, King County Council Vice Chair |
| (P) David Baker, City of Kenmore Councilmember | (P) Roger Millar, WSDOT Secretary |
| (P) Claudia Balducci, King County Council Chair | (P) Ed Prince, City of Renton Councilmember |
| (P) Bruce Dammeier, Pierce County Executive | (P) Kim Roscoe, City of Fife Mayor |
| (P) Cassie Franklin, City of Everett Mayor | (P) Dave Upthegrove, King County Councilmember |
| (P) Christine Frizzell, City of Lynnwood Mayor | (P) Peter von Reichbauer, King County Councilmember |
| (A) Bruce Harrell, City of Seattle Mayor | (P) Kristina Walker, City of Tacoma Councilmember |
| (P) Debora Juarez, City of Seattle Council President | |

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

Report of the Chair

Update on CEO Selection Committee

Chair Keel reported that the CEO selection committee began conducting interviews this month and was still on track to identify a candidate to recommend to the Board by the June Board meeting.

Technical Advisory Group

Chair Keel reported that the members of the Technical Advisory Group (TAG) have been finalized, and thanked Boardmembers Balducci and Backus for their work on the selection team. The members of the TAG are as follows:

- Connie Crawford: a consultant with national and international experience in transit and transportation infrastructure projects.
- Grace Crunican: a former General Manager of BART and Director of SDOT with expertise in obtaining funding for major transportation infrastructure and providing strategies for managing capital programs.
- Dr. Eric Goldwyn: a Clinical Assistant Professor and Director of the Transportation and Land-Use Program at New York University.
- Ken Johnsen: a consultant experienced in Pacific Northwest large, one-of-a kind, transformational civic projects including Climate Pledge Arena.
- Greg Johnson: an engineer with over 20 years of service as a senior executive in various leadership positions at state-level, public transportation agencies.

- Jim Linthicum: a recently retired engineer from the San Diego Association of Governments where he was the Chief of Project Implementation and Regional Services.
- Roger Natsuhara: a retired Navy Captain who is currently serving as Chief Engineer and Development Officer for the Metropolitan Washington Airports Authority; and
- Dennis O'Neill: a Managing Principal and Principal Engineering Geologist of O'Neill Service Group specializing in managing and construction of large transportation and infrastructure projects.

A consultant has also been selected who will staff the TAG and who will report directly to the Board throughout their work. The TAG will begin their work in June and Chair Keel commented he would provide continued updates on their work to the Board.

Upcoming realignment implementation work and Independent Consultant Introduction

The independent consultant hired for the realignment Annual Program Review was in attendance to provide a presentation to the Board on the beginnings of the quarterly cost savings work plan and the cost drivers report. Dave Peters is the consultant who was selected for this work and to monitor the staff in providing all deliverables that were part of the realignment resolution last year.

Recognition of Peter Rogoff

Chair Keel then announced that today was the final Board meeting for CEO Peter Rogoff. Mr. Keel commented that the commitment, work, and leadership of Peter Rogoff is directly responsible for Sound Transit's ability to proudly state that the agency is building the largest capital expansion in the nation.

CEO Rogoff oversaw the openings of ULink, Angle Lake, Northgate Link, and the Operations and Maintenance Facility East. He also oversaw seven major groundbreakings in his six years of leadership, East Link, Federal Way Link, Lynnwood Link, Downtown Redmond Link Extension, Hilltop Tacoma Link, and the Puyallup Station parking and access improvements project. Mr. Rogoff also revamped the agency's planning process to include stronger community engagement and sustainability efforts and went all in on the agency's now robust Transit Oriented Development Program. Sound Transit is now at the forefront of transit agency policy nationwide, while not losing focus on safety and state of good repair fundamentals that are so important.

Chair Keel stated that he has enjoyed working with Mr. Rogoff so greatly, and thanked him for his professionalism, perseverance, and incredible achievements.

Vice Chair Somers echoed Chair Keel's comments and noted that he and CEO Rogoff joined the agency at the same time. During that time the agency staff grew precipitously, and CEO Rogoff worked to break down internal agency silos which allowed the agency to operate more efficiently. He thanked CEO Rogoff for his transparency throughout his tenure.

Vice Chair Constantine recalled the environment in which the agency was searching for a CEO when CEO Rogoff was recruited. He asserted that the agency would likely not have been successful in the ST3 proposal had someone with CEO Rogoff's expertise not been hired. Another area that the agency would likely not have been as successful was the federal funding CEO Rogoff was able to secure in his tenure. Finally, CEO Rogoff was the main proponent of the state of good repair funding in ST3, which would save the taxpayers money in the future.

Boardmember Millar applauded CEO Rogoff for his focus on partnerships in the region, noting that it was rare across the country for a transit agency like Sound Transit to garner the good will of its local partner jurisdictions.

Boardmember Backus thanked CEO Rogoff for his patience as she learned more about the agency after she joined the Board. She asserted that he did great service for the entire region, even if people didn't use the Sound Transit System.

Boardmember von Reichbauer echoed Boardmember Backus's comments. He sponsors a South King County meeting, and many of the elected officials from jurisdictions there thanked Peter for his efforts to listen to, work with, and develop relationships with them.

Labor Liaison Riker explained that CEO Rogoff was helpful in getting him oriented to his newly created position. When the pandemic hit, he was struck by the importance CEO Rogoff put on keeping the workers, from construction to operators, safe and healthy.

Boardmember Baker thanked CEO Rogoff for all his work and said he looked forward to following his career.

Boardmember McDermott thanked CEO Rogoff for his work in bringing transit to West Seattle and other Communities.

Boardmember Dammeier recognized that the Board was a difficult body to work for, representing a very diverse region. Through CEO Rogoff's tenure there were times when they disagreed on matters, but Boardmember Dammeier never questioned CEO Rogoff's professionalism and willingness to listen honestly. He thanked CEO Rogoff for his leadership and compassion through some of the difficult events like the Amtrak derailment or fatalities on Sound Transit worksites.

Boardmember Franklin thanked CEO Rogoff for his assistance in becoming familiar with the agency and its work in the short time they worked together.

Boardmember Balducci noted that the agency traveled a long distance since CEO Rogoff was hired. ST3 was an incredible achievement and she looked forward to what was next for both CEO Rogoff and the agency.

Chair Keel presented an award in recognition of CEO Rogoff's tenure at the agency.

CEO Report

CEO Peter Rogoff provided the report.

He thanked the Boardmembers for their comments. He advised that he and the staff worked to tell the Board what was happening without any sugar coating. The agency owed much to the Board for charging them to achieve hard things and would continue to do so. He noted that despite challenges, the agency was continuing to deliver the system better than most, and that he was extremely grateful to the staff for their work which receives less accolades but is no less important.

Outreach / analysis on free youth fares

In order to be eligible for \$1.5 billion in state Transit Support Grants, transit agencies must adopt a zero-fare policy that allows passengers 18 and younger to ride free of charge on all modes, by October 1st.

Unlike all the other transit agencies in the state, Sound Transit is not eligible for these state Transit Support Grants. However, the free fares for Youth program does not work well without Sound Transit's participation. In July, staff is planning to bring to the Board a recommendation to change Sound Transit's Fare Policy to provide zero-fare to riders 18 or younger.

Should the Board approve of this change, staff has a goal to implement the program by September first, before school starts. Staff are coordinating regionally with regional transit partners so there's a consistent approach. Providing free fares for Youth is estimated to reduce ST Fare Revenue by \$146 million through the life of the financial plan.

This loss of fare revenue is partially offset by the potential for state Regional Mobility grants (which are estimated to be about \$60 million). Again, ST isn't eligible for those state grants to fully mitigate the loss of fare revenue, but the agency's support is needed for the program to work regionally.

Much of the detail in how the program will be implemented is still in development. However, the region has experience implementing transit pass programs for Youth and staff are hoping to use these existing partnerships to help implement this new program quickly. Improvements and refinements are expected over time and when the new virtual ORCA card is available.

The public feedback period is scheduled to start on June 1, 2022 and last for three weeks, and Mr. Rogoff encouraged everyone to provide feedback on this potential fare change. If the Board approves of the fare change, there will be a coordinated outreach effort from transit agencies, schools, and other outlets to get the word out on the new program.

Launch of new ORCA System

On May 16, 2022, fare collection using the upgraded ORCA system began successfully for all regional transit agencies who accept ORCA cards. Prior to the May 16 launch, Sound Transit switched out half of the vending machines and card readers at train stations to ensure riders had the new equipment available for use at launch. The replacement work will continue into early June.

In July, the new ORCA cards are expected to be available for sale, however, customers do not need a new ORCA card and can continue to use their current cards to ride transit indefinitely. Approximately 200 new retail stores will also be brought online with the start of card sales. The upgrades to ORCA continue with a smartphone tap-to-pay option being introduced in 2023.

The opening week, Sound Transit had staff in the field at Link and Sounder Stations. Joining staff were Station Agents and Fare Ambassadors. Riders were reassured they could continue to use their ORCA card and handed the Regional ORCA Transition brochure developed by ROOT marketing to answer common questions. ORCA received over 1000 emails the first day from eager riders wanting to learn about the new ORCA system. All participating ORCA agencies are working together to answer the customer emails and phone calls. As of May 18, the emails have dropped to normal daily averages.

As with any major system upgrade there were some bumps. Staff at stations assisted with reporting any issues they saw real time using mobile Microsoft Teams Chat. The real time reports had those first day bugs worked out immediately, resulting in no major impacts to riders.

Responsible Contracting policy

In October of last year, a request from Board members Constantine, Upthegrove, and Board Liaison Riker was made to prepare a Responsible Contracting Policy for the agency. Since that time, staff have been working to develop the policy in coordination with members of the Board, agency partners, and employees.

Mr. Rogoff reported that the policy was complete, and it will be applied to all agency contracts. Many of the provisions in the policy were in operation through existing procurement and contracting procedures, and staff were able to pull them together in one place, strengthen and memorialize them in an internal agency policy.

The policy prescribes a determination of responsibility prior to every contract award based on fair and reasonable business practices and the ability to perform. It includes verification of no unresolved violations with State of Washington Department of Labor and Industries, and an assessment of compensation at or above the prevailing or living wage. The policy promotes the right of employees to bargain collectively and prioritizes worker safety as well as opportunity for small and DBE firms among other items.

Concrete Strike and COVID 19 Project Delays

Quantitative risk assessments and analysis of impacts of the concrete strike, weather delays, the COVID-19 pandemic, and other factors on projects are still being finalized. Staff is working diligently to

finalize an initial report on these topics to bring to the Board.

Ending emergency declaration for emergency procurements

Mr. Rogoff noted that the Board materials include a memo related to emergency procurements in response to COVID-19. In March 2020, he issued a declaration of emergency that was ratified by the Board at the March 2020 Board meeting to allow for the emergency procurements.

Sound Transit is now able to comply fully with competitive solicitation requirements for the purchase of goods and services related to the COVID-19 response, so the declaration has been rescinded. The memo includes a list of contracts authorized under the emergency declaration while it was in effect.

External Engagement Highlights

Mr. Rogoff noted that the monthly external engagement report was sent to Board members earlier in the day.

Public Comment

Chair Keel announced that the Board was accepting public comment via email and verbally through the virtual meeting platform.

The following people provided written public comment to the Board:

Eli Andrew
Jon Mathison

The following people provided verbal public comment to the Board:

Katie Wilson
Hester Serebrin
Betty Lau
Martin Westerman

Consent Agenda

Voucher Certification: March 22 2022

Minutes of the March 24, 2022 Board Meeting

Minutes of the April 28, 2022 Board Meeting

Motion No. M2022-33: Authorizing the chief executive officer to execute a funding agreement with the City of Kirkland for the City of Kirkland to provide project development, environmental review, final design, and construction of the NE 85th Street Arterial Improvements in the amount of \$14,480,000 with a 10 percent contingency in the amount of \$1,448,000 for a total authorized agreement amount not to exceed \$15,928,000.

Motion No. M2022-34: Authorizing the chief executive officer to execute a two-year staffing agreement with three one-year options to extend with the National Marine Fisheries Service for staffing support to provide predictable and expedited Endangered Species Act consultations on Sound Transit projects in an amount not to exceed \$1,220,000 with a 10 percent contingency of \$122,000 for a total authorized agreement amount not to exceed \$1,342,000.

It was moved by Boardmember Backus, seconded by Boardmember Roscoe, and approved by the unanimous vote of the 17 Board members present to approve the Consent Agenda as presented.

Business items

Resolution No. R2022-08: That (1) funding to continue the Fare Ambassador Program based on the pilot program initiated in August 2021 is approved through December 31, 2022 and (2) amending the Adopted 2022 Annual Budget to increase the Transit Operating budget by \$1,300,000 from \$440,862,228 to \$442,162,228 to account for the establishment and delivery of the Fare Ambassador Program in 2022.

Chair Keel advised that this and the following three actions were carried over from the April 28, 2022 Board of Directors meeting.

Russ Arnold, Chief Passenger Experience Officer, began the presentation on this action and the following three actions. He reviewed the upcoming actions related to fares and outlined the actions for consideration at the meeting.

Sandee Ditt, Fare Engagement Manager reviewed Resolution No. R2022-08, noting that it would allow the agency to continue the Fare Ambassador program through 2022. She also reviewed future potential program costs and noted staff would return in the following quarter to review in further detail.

She reviewed Motion No M2022-27, reducing Sound Transit ORCA Lift rates from \$1.50 to \$1.00. This would only take place on Sound Transit services. In addition, a target rate of 80 percent of those eligible ORCA Lift.

Resolution No. R2022-09 would increase the agency's administrative budget to increase promotion of reduced fare and ORCA Lift options.

Finally, Motion No. M2022-28 would extend the agency's participation in King County Metro's reduced fare program. Ms. Ditt noted that staff was not seeking additional funding for this action, because it had not yet expended the available funds.

Finally, she reviewed the plans for monitoring and reporting to the Board.

It was moved by Boardmember Walker and seconded by Boardmember Prince that Resolution No. R2022-08 be approved as presented.

Boardmember Walker advised that the Rider Experience and Operations Committee forwarded the resolution at its April meeting with a do-pass recommendation.

Chair Keel called for a roll call vote.

Ayes

Nancy Backus
David Baker
Claudia Balducci
Bruce Dammeier
Cassie Franklin
Christine Frizzell
Debora Juarez
Joe McDermott

Nays

Roger Millar
Ed Prince
Kim Roscoe
Dave Somers
Dave Upthegrove
Pete von Reichbauer
Kristina Walker
Kent Keel

It was carried by the vote of 16 Boardmembers present that Resolution No. R2022-08 be approved as presented.

Motion No. M2022-27: (1) Authorizing the chief executive officer to implement a lower, \$1.00 fare for ORCA LIFT riders on Sound Transit Services for a six-month period beginning as soon as administratively possible; (2) directing staff to conduct a public outreach process and prepare a Title VI fare equity analysis to support a possible Board decision to make this change permanent; and 3) directs

staff to undertake actions to help achieve a goal of enrolling eighty percent of the likely ORCA LIFT market.

It was moved by Boardmember Walker and seconded by Boardmember Prince that Motion No. M2022-27 be approved as presented.

Boardmember Walker advised that the Rider Experience and Operations Committee forwarded the resolution at its April meeting with a do-pass recommendation. The Committee was concerned about multiple fare actions being taken at once and having unclear data regarding improvements to the ORCA Lift program target.

There were additional concerns on taking up this action prior to having received analysis from the administrative agencies for ORCA Lift that would suggest lowering the fare rate and discomfort with the Title VI analysis taking place after implementation. The committee forwarded this item to the Board by majority vote, with two committee members dissenting.

Boardmember Dammeier asked why there was dissent to this action. Boardmember Roscoe advised that she was concerned that the \$1.00 fare seemed arbitrary and that a study would follow the action instead of preceding and informing it.

Amendment 1 to Motion No. M2022-27 was moved by Boardmember Upthegrove and seconded by Boardmember Roscoe.

Amendment 1 – offered by Boardmember Upthegrove

Amend Motion No. M2022-27 to refer changes to the ORCA LIFT Fare to the Regional Fares Subcommittee of the Transit Executives Mobility Partnership by amending the motion as follows and making related changes to the staff report:

(1) Directing the chief executive officer to refer to the Regional Fares Subcommittee of the Transit Executives Mobility Partnership a proposal to consider implementing changes to the ORCA LIFT fare to address affordability barriers for riders using public transportation in King, Snohomish, Pierce and Kitsap Counties and return with a proposal for the Board to consider by January 2023 Authorizing the chief executive officer to (1) implement a lower, \$1.00 fare for ORCA LIFT riders on Sound Transit Services for a six-month period beginning as soon as administratively possible; (2) directing staff to conduct a public outreach process and prepare a Title VI fare equity analysis to support a possible Board decision to make this change permanent; and (3) directs staff to undertake actions to help achieve a goal of enrolling eighty percent of the likely ORCA LIFT market.

In addition, amend the staff report for Motion No. M2022-27 to change the first key feature as follows:

- This action would urge regional consideration of lowering the fare for low-income adults (ORCA LIFT) on all ORCA agencies or adopting other changes to the LIFT fare as warranted~~lowers the fare for low-income adults (ORCA LIFT) on all Sound Transit services from \$1.50 to \$1.00 for a six-month period.~~

Finally, amend the fifth paragraph of the motion as follows:

This action would urge regional consideration of lowering the fare for low-income adults (ORCA LIFT) on all ORCA agencies or adopting other changes to the LIFT fare as warranted~~lowers the fare for low-income adults (ORCA LIFT) on all Sound Transit services from \$1.50 to \$1.00 for a six-month period.~~ The ORCA LIFT program provides discounted fares to enrolled riders with household incomes equal to or less than 200 percent of the Federal Poverty Level.

Boardmember Upthegrove advised that the motion created concerns at King County Metro. His amendment was intended to reach the same goal. The amendment would direct this matter to the

regional fares subcommittee and would ask it to consider changes to regional fares by January and urge lowering fares for all ORCA users. King County Metro and other transit agencies were reworking routes to integrate with the Sound Transit system and having differing rates would be confusing to the riders.

Mr. Arnold advised that the amendment would effectively table the action and defer to agencies outside of the regional taxing district. Staff conducted outreach with many communities who voiced concerns about moving away from the current fare enforcement protocols that are educational only and the transition to fare enforcement being reimplemented.

Boardmember Upthegrove asked what the rationale was for making the change and then conducting a Title VI analysis instead of the standard approach. Mr. Arnold advised that the reasoning was to align with the Fare Engagement Policy adopted in April, in which fines and citations were reintroduced. Additionally, staff did not foresee any Title VI concerns since the action was lowering fares for people with lower incomes.

Vice Chair Somers supported moving ahead with the action without amendment, especially now that the agency was introducing enforcement again.

Chair Keel agreed with Vice Chair Somers's comments, noting that staff had already conducted community outreach, listened, and acted on their requests with this action. He also had concerns about this work going to another body where it may stall and not be implemented.

Boardmember Balducci suggested that the agency work with partners to lower the ORCA Lift fare across the region.

Boardmember Millar agreed with Boardmember Balducci that the partners should take this action together.

Boardmember Dammeier opposed the amendment because he thought it was time for the Board to take the lead in the region with this action.

Boardmember Backus asked about the detriment to passing the motion and then continuing to work with regional partners.

Boardmember Balducci voiced concern that King County Metro had not been engaged and that the Board wasn't made aware of their concerns.

Boardmember Somers advised that he would still be opposing the amendment, noting the existing incongruent fare structures,

Boardmember Roscoe advised that she and Boardmember Walker had a call with a King County staff member. She also discussed the \$1.00 fare with Sound Transit staff, and it appeared anecdotal and not informed by data.

Chair Keel advised that he would not support the amendment noting the work that staff had been asked to do by the Board and brought.

Boardmember Upthegrove advised that King County Metro was engaged in this work, but disagreed, and advocated through its representatives on the Board like him. He believed that every Boardmember wanted a lower ORCA Lift fare but had different ideas for how to reach that goal.

Chair Keel called for a roll call vote.

Ayes

Claudia Balducci
Dow Constantine
Debora Juarez
Joe McDermott

Nays

Nancy Backus
David Baker
Bruce Dammeier
Cassie Franklin

Roger Millar
Kim Roscoe
Dave Upthegrove
Kristina Walker

Christine Frizzell
Ed Prince
Dave Somers
Pete von Reichbauer
Kent Keel

The amendment failed by a vote of 9 no votes to 8 aye votes.

Chair Keel called a roll call vote on Motion No. M2022-27.

Ayes

Nancy Backus
David Baker
Bruce Dammeier
Cassie Franklin
Christine Frizzell
Debora Juarez
Roger Millar

Ed Prince
Kim Roscoe
Dave Somers
Pete von Reichbauer
Kristina Walker
Kent Keel

Nays

Claudia Balducci
Joe McDermott
Dave Upthegrove

It was carried by the majority vote of 13 Board members present that Motion No. M2022-27 be approved as presented, with three Board members voting in the minority.

Resolution No. R2022-09: Amending the Adopted 2022 Annual Budget to increase the Agency Administrative Operating project budget by \$400,000 from \$124,128,011 to \$124,528,011 to account for the establishment and delivery of reduced fare program promotion in 2022 and support the goal to enroll eighty percent of the likely ORCA LIFT market.

It was moved by Boardmember Walker and seconded by Boardmember Prince that Resolution No. R2022-09 be approved as presented.

Boardmember Walker advised that the Rider Experience and Operations Committee forwarded the resolution at its April meeting with a do-pass recommendation. Boardmember Walker noted that the Board had already heard the staff presentation on this item.

Chair Keel also supported the action and noted that it required a supermajority vote.

Chair Keel called for a roll call vote.

Ayes

Nancy Backus
David Baker
Claudia Balducci
Bruce Dammeier
Cassie Franklin
Christine Frizzell
Debora Juarez
Joe McDermott

Roger Millar
Ed Prince
Kim Roscoe
Dave Somers
Dave Upthegrove
Pete von Reichbauer
Kristina Walker
Kent Keel

Nays

It was carried by the unanimous vote of 16 Board members present that Resolution No. R2022-09 be approved as presented.

Motion No. M2022-28: Authorizing the chief executive officer to (1) modify an agreement with King County to extend Sound Transit's participation in a reduced fare program managed and administered by King County to support no to low-income riders in King, Snohomish and Pierce counties until the end of 2024, or until a permanent program is approved, and (2) execute further modifications to the agreement with King County that do not change the term or the original amount of the agreement.

It was moved by Boardmember Walker and seconded by Boardmember Prince that Motion No. M2022-28 be approved as presented.

Boardmember Walker advised that the Rider Experience and Operations Committee forwarded the resolution at its April meeting with a do-pass recommendation. A key component of the Comprehensive Fares Strategy and Equitable Fare Compliance efforts is increasing participation in all reduced fare programs to ensure that everyone who needs fare media can get access to it.

This action would amend the 2022 Budget for Reduce Fare Program Communications and Marketing and fund the communications program by \$400,000 to achieve annual goals.

Chair Keel advised that he supported the action.

Chair Keel called for a roll call vote.

Ayes

Nancy Backus
David Baker
Claudia Balducci
Dow Constantine
Bruce Dammeier
Cassie Franklin
Christine Frizzell
Debora Juarez
Joe McDermott

Nays

Roger Millar
Ed Prince
Kim Roscoe
Dave Somers
Dave Upthegrove
Pete von Reichbauer
Kristina Walker
Kent Keel

It was carried by the unanimous vote of 17 Boardmembers present that Motion No. M2022-28 be approved as presented.

Motion No. M2022-35: Authorizing legal action to obtain a refund from the Washington State Department of Licensing of collection fee overpayments.

Desmond Brown, General Counsel, provided the staff report. This action would authorize the agency to initiate litigation against the Washington State Department of Licensing to obtain a refund of the costs of collecting the agency's excise tax. This amount was incorrectly recorded in legislation requiring an extreme overpayment in collection fees, which has now been remedied in the last legislative session.

This action would be necessary to obtain a refund as there is no mechanism for the Washington State Department of Transportation to initiate the refund.

It was moved by Boardmember Backus and seconded by Boardmember Frizzell that Motion No. M2022-35 be approved as presented.

Boardmember Dammeier asked if it was necessary to hire outside counsel for this if the state was unlikely to contest the lawsuit. Mr. Brown advised that the agency's legal staff was not set up to conduct some of the work that this filing required and was otherwise engaged in other activities.

Chair Keel called for a roll call vote.

Ayes

Nancy Backus
David Baker
Claudia Balducci
Dow Constantine
Bruce Dammeier
Cassie Franklin
Christine Frizzell

Abstain

Roger Millar

Joe McDermott
Ed Prince
Kim Roscoe
Dave Somers
Dave Upthegrove
Pete von Reichbauer
Kristina Walker

Debora Juarez

Kent Keel

It was carried by the unanimous vote of 16 Board members present that Motion No. M2022-35 be approved as presented, with one abstention.

Resolution No. R2022-12: Amending the Adopted 2022 Budget to create the Series 3 Light Rail Vehicle project by (a) establishing an authorized project allocation in the amount of \$33,000,000 and (b) establishing a 2022 annual project budget of \$1,263,000.

It was moved by Boardmember Balducci and seconded by Boardmember Roscoe that Resolution No. R2022-12 be approved as presented.

Boardmember Balducci advised that the System Expansion Committee forwarded the resolution at its May meeting with a do-pass recommendation. This action would amend the Adopted 2022 Budget to establish Series 3 Light Rail Vehicle (LRV) project, which will begin the work necessary to buy LRVs necessary to support expanded Link operations to two infill stations (Graham and Boeing Access Road), the Tacoma Dome Link Extension, and the West Seattle Link Extension.

The resolution before the Board today would establish a project allocation of \$33 million, and a 2022 annual budget amendment in the amount of \$1.263 million. The project allocation is sufficient to fund the project development phase and includes capacity in the construction services phase for design and inspection oversight support through delivery of approximately 100 LRVs over a ten-year period.

Following today's action, staff will begin securing an engineering and project management consultant, and return to us later this fall for consideration to award that contract. The project with a specific number of Series 3 LRVs to be purchased will be baselined in late 2024 or 2025.

Boardmember Keel asked if the car builder was the same who was making the Hilltop Tacoma Link Extension cars. Ron Lewis, Executive Director of Design, Engineering, and Construction Management, advised that the action would fund further study for the vehicles but would not identify a builder.

Chair Keel called for a roll call vote.

Ayes

Nancy Backus
David Baker
Claudia Balducci
Dow Constantine
Bruce Dammeier
Cassie Franklin
Christine Frizzell
Debora Juarez
Joe McDermott

Nays

Roger Millar
Ed Prince
Kim Roscoe
Dave Somers
Dave Upthegrove
Pete von Reichbauer
Kristina Walker
Kent Keel

It was carried by the unanimous vote of the 17 Board members present that Resolution No. R2022-12 be approved as presented.

Resolution No. R2022-13: 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 Bus Rapid Transit I-405 project.

It was moved by Boardmember Balducci and seconded by Boardmember Roscoe that Resolution No. R2022-13 be approved as presented.

Boardmember Balducci advised that the System Expansion Committee forwarded the resolution at its May meeting with a do-pass recommendation. This resolution authorizes the acquisition of property rights from 13 properties for the Federal Way Link Extension project primarily for roadway mitigation and improvements required by the cities of Kent and Federal Way. These will be temporary construction easements and permanent right of way and sidewalk improvements.

Boardmember Dammeier asked if there were any homes or displaced due to any of these resolutions. Faith Roland, Director of Real Property advised that this action would not displace or relocate any homes or businesses.

Resolution No. R2022-14 would potentially purchase and displace two residential properties in Seattle and two commercial properties in Kenmore. Staff would work with the owners of those properties.

Resolution No. R2022-15 would potentially relocate one business if a cure was not possible.

Chair Keel called for a roll call vote.

Ayes

Nancy Backus
David Baker
Claudia Balducci
Dow Constantine
Bruce Dammeier
Cassie Franklin
Christine Frizzell
Debora Juarez
Joe McDermott

Nays

Roger Millar
Ed Prince
Kim Roscoe
Dave Somers
Dave Upthegrove
Pete von Reichbauer
Kristina Walker
Kent Keel

It was carried by the unanimous vote of the 15 Board members present that Resolution No. R2022-13 be approved as presented.

Resolution No. R2022-14: 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 Bus Rapid Transit SR 522 project.

It was moved by Boardmember Balducci and seconded by Boardmember Baker that Resolution No. R2022-14 be approved as presented.

Boardmember Balducci advised that the System Expansion Committee forwarded the resolution at its May meeting with a do-pass recommendation. This resolution authorizes the acquisition of property rights from 17 properties within the I-405 Stride project area, located in Bellevue, Burien, and Renton. These include 17 Temporary Construction Easements, two permanent easements and no full acquisitions and no anticipated relocations.

Chair Keel called for a roll call vote.

Ayes

Nancy Backus
David Baker
Claudia Balducci
Dow Constantine
Bruce Dammeier
Cassie Franklin
Christine Frizzell
Debora Juarez

Nays

Joe McDermott
Roger Millar
Ed Prince
Kim Roscoe
Dave Somers
Dave Upthegrove
Kristina Walker
Kent Keel

It was carried by the unanimous vote of the 16 Board members that Resolution No. R2022-14 be approved as presented.

Resolution No. R2022-15: 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 re-establishment expenses incurred by affected owners and tenants as necessary for the Federal Way Link Extension project.

It was moved by Boardmember Balducci and seconded by Boardmember Baker that Resolution No. R2022-15 be approved as presented.

Boardmember Balducci advised that the System Expansion Committee reviewed this resolution at its May meeting and forwarded it with a do pass recommendation.

This resolution authorizes acquisition of property rights from 27 properties within the SR522 Stride BRT project area, located in Seattle, Shoreline, Lake Forest Park and Kenmore. These include permanent easements, temporary construction easements and 4 that are full acquisitions. There is a potential for up to four relocations.

Chair Keel called for a roll call vote.

Ayes

Nancy Backus
David Baker
Claudia Balducci
Dow Constantine
Bruce Dammeier
Cassie Franklin
Christine Frizzell
Debora Juarez

Nays

Joe McDermott
Roger Millar
Kim Roscoe
Dave Somers
Dave Upthegrove
Pete von Reichbauer
Kristina Walker
Kent Keel

It was carried by the unanimous vote of the 16 Board members present that Resolution No. R2022-15 be approved as presented.

Motion No. M2022-36: (1) Temporarily suspending the Board's rules to (a) remove the limitation that only 25 percent of Board members may participate in a Board meeting, committee meeting or subcommittee meeting via phone or video conference and (b) remove the limitation that participation via phone or video be reserved for extraordinary circumstances and allow any Board member to attend a Board, committee or subcommittee meeting via phone or video if desired, effective June 1, 2022 and remaining in place until the Board adopts updated rules, or September 30, 2022, whichever takes place first, (2) setting the Ruth Fisher Boardroom at Union Station in Seattle, WA as the physical location for Sound Transit Board, committee and subcommittee meetings, and (3) superseding Motion No. M2020-23.

Chair Keel reported that he is aware of an ongoing desire from the Board to be able to participate virtually in Board meetings. Governor Inslee rescinded the executive order requiring virtual meetings effective June 1. Under the current state law, Sound Transit will be required to have an in-person location for Board and Committee meetings starting in June.

Returning to in-person meetings was discussed at the May 5 Executive Committee meeting, followed by a robust discussion.

Board members have noted that virtual meetings provide convenience, allow members to avoid traveling long distances, and enable members to attend both Sound Transit meetings and meetings in their own jurisdictions. Having a virtual participation option has also allowed for excellent attendance and Board engagement to keep critical work moving forward.

Today's action would temporarily suspend the Board's rules to give Board members the ability to participate in meetings virtually if they chose. Members of the public will also be able to continue to view meetings through the virtual meeting platform.

Starting in June, Board members and the public would have the option, but would not be required, to attend meetings in person in the Ruth Fisher Boardroom. Members of the public will also be able to continue provide public comment in the virtual meeting platform but could also chose to submit comments in writing or in person in the Ruth Fisher Boardroom.

The action would suspend the rules through September to allow the Board to review options to update the Board rules based on how the discussion continues for meetings in the future. The action would also supersede the action taken at the beginning of the pandemic related to virtual participation and comment which is now outdated.

It was moved by Boardmember Backus and seconded by Boardmember Somers that Motion No. M2022-36 be approved as presented.

Chair Keel called for a roll call vote.

Ayes

Nancy Backus
David Baker
Claudia Balducci
Dow Constantine
Bruce Dammeier
Cassie Franklin
Christine Frizzell
Debora Juarez
Joe McDermott

Nays

Roger Millar
Ed Prince
Kim Roscoe
Dave Somers
Dave Upthegrove
Pete von Reichbauer
Kristina Walker
Kent Keel

It was carried by the unanimous vote of the 17 Board members present that Resolution No. R2022-15 be approved as presented.

Boardmember Dammeier advised that this action was useful, but he suggested that the Board meet in person with some degree of frequency.

Chair Keel agreed and advised that in discussions about the future of the Board's rules, he would suggest something to require in person participation for certain meetings.

Reports to the Board

Annual Program Review

In the August 2021 Realignment resolution, the Board directed staff to prepare this report to describe shifts in financial capacity and readiness of projects. This is the inaugural edition of the report that the Board will receive annually each spring. Chair Keel commented that he hoped the Board will find this report useful and informative for upcoming decisions - both programmatically and on individual projects – the Board will be asked to make.

Kimberly Farley, Deputy Chief Executive Officer advised that staff would present a high-level overview of the Annual Program Report, which would be presented annually going forward. The realignment resolution's clearly stated goal was to close the affordability gap in the agency's system expansion projects. Four projects had an affordability gap.

The key takeaway from the report was that the agency's program remained affordable on the affordable schedule, while the target schedule remained unaffordable.

Eric Beckman, Acting Executive Director of the Portfolio Service Office, reviewed the external pressures key takeaways. Increasing cost pressures impacted the program and cause overall financial risk. The main impacts are labor and materials cost inflation, strained construction industry and supply chain disruption, rising property costs, and increasing operating costs. Mr. Beckman outlined agency milestones for project readiness and stressed that staff is working hard to keep projects in a state of readiness, but the cost pressures are only increasing causing projects to remain on the affordable schedule.

Ryan Fisher, Deputy Executive Director of Financial Planning, Analysis, and Budget outlined the key financial capacity takeaways. The program was more expensive due to inflation, higher operating costs, and lower projected fare revenue. Inflation was expected to impact the financial plan in its next update in the fall. He reviewed the key assumptions factored into the Long Range Financial Plan and provided two visual representations of the agency's available debt capacity. The period in which the agency was approaching its debt capacity limit increased from five years to seven years in the updated plan, indicating increased risk to the program's affordability.

Ms. Farley identified next steps which included publishing a realignment performance dashboard in June and the first Biannual Cost Drivers Report at the June System Expansion Committee meeting. Staff would work with the Board's independent consultant, Dave Peters, to refine the report in the coming year.

Chair Keel introduced Dave Peters, the independent consultant for the work. Mr. Peters explained that in general the Annual Program Review addressed the Board's realignment resolution well. Risk mitigation strategies were identified, however prioritized follow-up actions and responsibilities would be key for success.

Program-wide concerns included permitting issues, real estate and property acquisitions, which staff are aware of. Mr. Peters recommended early engagement, higher-level involvement, use of model agreements, and providing additional staffing to outside agencies. He continued that developing standard drawings and specs for projects would be important to reduce costs. Operations was stretched thin for testing, commissioning, and safety certification. Pre-purchasing equipment contacts could overcome late delivery of long lead time materials, which will likely remain a difficulty throughout the life of the program.

In addition, the program included extensive parking garages built on the agency's account, however private developers routinely built these structures at less cost. Leased parking could free up financial capacity, and staff who have specialized transit expertise are underutilized working on parking.

Risks were recognized at the project level, but a number of the risks were at the program or agency level. As a result, project teams could do little to mitigate the risks. Mr. Peters suggested elevating the risk identification and mitigation to the agency level.

Boardmember Balducci advised that this was beginning to look like what she envisioned in drafting the Board's realignment action, commenting that it was a great start.

Boardmember Constantine was interested in Mr. Peters' observation that large international contractors were not involved in regional projects, and if there were avenues to increase competition for Sound Transit projects.

Boardmember Dammeier agreed with Boardmember Balducci's statement. He asked why Everett Link Extension's affordability gap shrank. Mr. Fisher advised that the subarea numbers were reconfigured to include inflation in the area and some other factors and that caused the Everett Link revenues to increase.

CEO Rogoff noted that the domestic contracting market might be more selective in the projects they pursue following the federal infrastructure bill with an interest in increasing their profit margins. The agency's projects were not simple and without risks, and contractors would likely want to limit their risks in taking them on. The Board would need to consider how to ensure a competitive contracting market.

Chair Keel asked what the Board could do to address some of the program level risks. Mr. Peters explained that the agency already had a robust project level risk management program, but he suggested raising that to the program level. He suggested that he could work with staff to develop that.

Boardmember Millar suggested acquiring property early and if it doesn't use it, sell it at a higher cost later. Standardizing certain design elements could allow purchasing them in bulk ahead of time as well. Finally, working with labor and contractors to determine how to increase the attractiveness of the agency's projects was important at a program level.

Boardmember Roscoe agreed with Boardmember Millar philosophically with respect to acquiring property earlier. However, in a practical level, she noted her jurisdiction had a large amount of WSDOT property which was purchased for projects and has caused some undesirable socioeconomic impacts. Boardmember Millar acknowledged that, and added it was a balance of acquisition for project benefit but not to the detriment of local communities.

Ms. Farley advised that staff was already following up on some of the suggestions from Mr. Peters and working with the Association of General Contractors to investigate how Sound Transit could be an owner of choice.

Other business

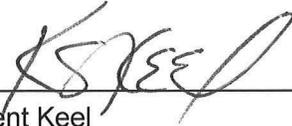
Vice Chair Constantine thanked Boardmember Upthegrove and Labor Liaison for their work in pushing for the responsible contracting policy. He asked that the Board be briefed on the efforts the agency was taking with respect to safety along the at-grade portion of the alignment in the Rainier Valley.

Next meeting

The next regular Board meeting would be held on June 23, 2022, 1:30 to 4:00 p.m. in the Ruth Fisher Board Room and as a virtual meeting via WebEx.

Adjourn

The meeting adjourned at 4:49 p.m.



Kent Keel
Board Chair

ATTEST:


Kathryn Flores
Board Administrator

APPROVED on June 23, 2022, AM.