SOUNDTRANSIT

Summary Minutes

Executive Committee Meeting
August 3, 2023

Call to order

The meeting was called to order at 10:34 a.m. by Committee Chair Dow Constantine and was available for viewing in person and online.

The meeting was recorded and can be found at https://www.soundtransit.org/get-to-know-us/board-directors/livestream-video.

Roll call of members

Chair	Vice Chair
(P) Dow Constantine, King County Executive	(A) Kent Keel, University Place Councilmember (P) Dave Somers, Snohomish County Executive

Board Members	
(P) Nancy Backus, Auburn Mayor (P) Claudia Balducci, King County Councilmember (A) Bruce Dammeier, Pierce County Executive	(P) Cassie Franklin, Everett Mayor (P) Bruce Harrell, Seattle Mayor (P) Roger Millar, WSDOT Secretary

Adam Montee, Board Administration Program Manager, announced that a quorum of the Committee was present at roll call.

Boardmember Baker joined the meeting as a non-voting member.

Report of the Chair

Monthly Contract Report

The monthly contract reports were included in members' meeting packets for review.

CEO Report

CEO Julie Timm provided the CEO report.

Military Fare Free Service

As part of Seafair Fleet Week beginning Tuesday, August 1, 2023, the agency was honoring members of the military by providing zero-fee service on buses and trains until Sunday, August 6, 2023. CEO Timm noted the agency employed several veterans, including multiple members of the Executive Leadership Team and thanked all for their service.

Technical Advisory Group responses

The Board's technical advisory group (TAG) recommendations that were delivered earlier this year continued to be implemented. CEO Timm indicated a brief presentation would be delivered at this meeting summarizing activities and actions being taken to implement the TAG recommendations. Staff anticipate coming back to the Executive Committee regularly into the future to provide updates on progress.

Public comment

Chair Constantine announced that public comment would be accepted via email to meetingcomments@soundtransit.org and would also be accepted in-person and virtually.

The following people provided written public comment:

Joe Kunzler
Alex Tsimerman

The following people provided in-person public comment:

Alex Tsimerman

The following people provided virtual public comment:

Joe Kunzler

Business items

Items for Final Committee Action

May 4, 2023, Executive Committee meeting minutes

It was moved by Boardmember Backus, seconded by Boardmember Millar and carried by consent of all Board members present that the minutes of the May 4, 2023 Executive Committee meeting be approved as presented.

Items for Recommendation to the Board

Resolution No. R2023-23: Adopting a Board Policy for the Sound Transit Tacoma Link Light Rail Substance Abuse Program.

Chris Elwell, Acting Executive Director of Labor Relations, provided the presentation.

Chair Constantine asked if this policy was identical to the existing policy. Staff confirmed it was.

Resolution No. R2023-23 was moved by Boardmember Backus and seconded by Boardmember Franklin.

Chair Constantine called for a voice vote.

It was carried by a unanimous voice vote of all committee members present that Resolution No. R2023-23 be forwarded to the Board with a do-pass recommendation.

Reports to the Committee

Annual Sustainability Progress Report

Jamie Brinkley, Sustainability Manager, provided the presentation. Ms. Brinkley reminded the committee of the Sustainability presentation schedule in that over the past few years, staff had presented in the summer regarding the Annual Sustainability Progress Report, which retrospectively summarized the agency's sustainability performance from the previous calendar year. This report analyzed the agency's environmental and operational efficiency via the sustainability Key Performance Indicators and records the progress on the previous year's sustainability targets. In contrast, the winter report provided a prospective update on progress towards the agency's sustainability strategic plan, related goals and policies and programs. The agency's sustainability efforts were underpinned by the key priorities of People, Planet, and Prosperity. Transit was about building a better future, not just by making a cleaner environment; but also, by fostering a healthy community and a vibrant economy. These overlapping themes together create the sustainability triple bottom line.

People, Planet, and Prosperity were also the priorities through which staff organize the agency's Sustainability Plan. There would be references to the agency's six long-term goals throughout the report. Ms. Brinkley noted the agency was towards the end of implementing the sustainability plan and found that it continued to provide helpful guidance. The Sustainability Plan was implemented through short-term goals, which were intended to be completed by the end of 2024. These goals were accomplished through the annual sustainability targets, which comprised the annual work plan. 76 percent of the 2022 Annual Targets were completed and the outstanding items would be completed throughout 2023.

A core component of Sound Transit's work to further the social sustainability of the region was through Community Development work. This group made several notable Transit Oriented Development (TOD) advancements in 2022, including welcoming residents to new affordable homes at the Cedar Crossing building at the Roosevelt Station TOD site, partnering with the Washington State Housing Finance Commission on aligning $200 million in the Commission's bond financing for affordable housing built on Sound Transit TOD sites, approving three new sites for mixed use TOD developments, advancing construction on more than 450 units of affordable housing, and awarding three former Sound Transit surprise properties as home building sites to the Rainier Valley Affordable Housing Initiative via the City of Seattle.

The agency's work on equitable community building was reflected in a number of key accomplishments in 2022. The agency's Civil Right Equity and Inclusion (CREI) office officially published the agency's first Racial Equity Toolkit (RET). Much of the year was spent building internal awareness and implementation training. Towards the end of the year, the Everett Link Extension and Tacoma Dome Link Extension projects were implementing RETs. Additionally, the CREI office began development and implementation of Sound Transit's Anti-Racist Strategy. In 2022, this work included considering the agency's current employee profile and conducting listening sessions with employees. This work would inform the Anti-Racist Strategy work plan going forward.

On the environmental side, the agency continued to demonstrate significant environmental benefits from transit. In 2022, the agency continued to show significantly more avoided emissions than it produced from operations. Transit riders using the services enabled Sound Transit to avoid nearly four times the emissions produced from agency operations, this was starting to show a return to 2019 and prior trends. Additionally, there was a 59 percent increase in emissions avoided compared to 2021. What a factor of four times avoided emissions means in practical terms, is that the transit services and the impact they have on the region avoided the emissions equivalent to providing the electricity for nearly 38,000 homes for a year or burning 22 million gallons of gasoline.

In 2022, the agency continued its efforts toward achieving carbon free operations. The agency's goals were to achieve carbon free facilities by 2030 and carbon free fleets by 2050. In 2022, Sound Transit was awarded a $9.3 million grant to purchase battery electric buses for the Stride Bus Rapid Transit program. This would be the agency's first battery electric bus procurement and would pave the way for future conversions. Another achievement in 2022, was the Downtown Redmond Link Extension receiving the Envision Platinum status from the Institute for Sustainable Infrastructure. This was the first envision rated transportation project in the Pacific Northwest, and only the ninth Envision Platinum transportation project in the nation.

The agency continued to focus on resource conservation by using taxpayer dollars more efficiently. A sample of some of the agency's largest resource conservation projects saved nearly $1 million in 2022 and cumulatively over $7.5 million over the projects' lifetimes. These projects ranged from efficient irrigation systems to solar panels and LED lighting. The agency also continued to make strides on efficiency and resiliency efforts. In 2022, Sound Transit worked to ensure that the agency's revised design requirements incorporated the climate vulnerability guidelines that were developed for evaluating the vulnerability of proposed Link light rail projects. This included considering future heat events, localized flooding, and sea level rise impacts to incorporate into standards. Finally, in the agency's continued commitment to continual improvement, advancements were made in the agency's Asset Management System and Safety Management System. These developing management systems were well aligned with the long-standing environmental and sustainability management system.

The agency continued to receive national and international recognition for its sustainability efforts. The agency's Environmental and Sustainability Management System maintained certification to the ISO 14001 standard, which was a third-party certification. The agency also retained Platinum level recognition for APTA's Sustainability Commitment and Amy Shatzkin, Sound Transit's Director of Sustainability, served as the chair of the APTA Sustainability Committee. The agency participated in FTA's Sustainability Transit for a Healthy Planet Challenge to encourage transit agencies to take action to further reduce greenhouse gas emissions from public transportation. Sound Transit was awarded the "Most Transformative" award for developing a plan demonstrating sustainability throughout the agency, including fleets, facilities, and operations.

The 2023 current priorities included continuing planning efforts to decarbonize the agency's revenue fleet, prioritizing internal and partner agency coordination, prioritizing green procurement by reducing the use of materials with high carbon content, preparing for the expansion of publicly accessible electric vehicle charging at Sound Transit parking facilities per compliance with the WA State's new building code, and creating strategies to address the greenhouse gas emissions that were difficult to reduce, including refrigerants and facilities' natural gas use.

Chair Constantine asked about the supply chain availability of battery electric vehicles of both buses and vehicles. Ms. Brinkley replied that the intended manufacturer had ensured their capabilities. Chair Constantine asked about how the agency was researching to obtain low carbon concrete. Amy Shatzkin, Director of Sustainability, replied that staff had been working through the Association of General Contractors and had met with local concrete suppliers over the past year and were assured on their delivery of low carbon concrete mixes. Ms. Shatzkin added that the agency also had a process using "environmental product declarations", which were provided by the concrete suppliers in order to inform the agency of the exact carbon content in the concrete. At a minimum, the agency required its contractors to report on what their concrete mixes were. Staff was also studying lessons learned from past pilot projects. As an example, the Puyallup garage project saw a reduction of almost 30 percent in carbon content in the concrete and staff was diving into how that could be replicated on more projects moving forward with ST3. Ms. Shatzkin committed to providing more data to the committee following the meeting.

<u>Presentation on Parking Management Program Expansion</u>

Alex Krieg, Director of Access, Integration, and Station Area Planning provided the presentation. Mr. Krieg routinely reviewed the upcoming Board actions required to work towards a comprehensive fares strategy. He reviewed a timeline that began in 2013 that visualized the agency's progress towards following Board direction and the introduction of a new fare-like cost on some passengers. In 2013, the System Access Policy was adopted. In 2015, monthly HOV permits were introduced, and monthly SOV permits were introduced in 2018. In 2020, the permit program was suspended and the HOV permits restarted in 2022.

The permit parking program, which was authorized by the Board in 2018, with goals to maximize ridership and prioritize parking availability during weekday morning peak period. The authorized program included several parameters including setting market-rate fees that would recover program costs, using variable pricing that managed demand with the CEO having rate setting authority, establishing eligibility criteria making all Link parking facilities eligible and Sounder/ST Express facilities only when utilization was above 90 percent, only allowing monthly permits and minimum 50 percent of spaces must remain free, and allowing for discounts for passengers in reduced fare programs or with HOV permits and prioritizing permits to residents of the Sound Transit district. Mr. Krieg displayed a map that showed the parking program as of March 2020. Single occupancy vehicle (SOV) permits were at market rates of $45 to $120 a month, HOV permits were free to incentivize more riders per space, and reduced-price SOV permits for ORCA LIFT-qualified passengers. 1,200 permits were issued at 14 Sound Transit facilities before the program was suspended in March 2020.

Mr. Krieg's presentation provided peer transit agency parking programs and encouraged the committee to review them at a later time. Mr. Krieg provided highlights in that most paid parking programs applied to 100 percent of parking inventory, allowing administrative adjustment of parking fees helped achieve policy goals and targets, parking for transit passengers was prioritized with pricing and trip validation, reserved parking required careful, efficient management with rates set at a premium of the daily fee, reserved parking available for paid, first-come, first-served use after morning peak periods, and all peers facilitated and encouraged mobile payment, but also accepted cash.

The existing conditions showed parking demand was much lower than 2019 but was growing, there was an unequal demand between facilities, the post-pandemic prevalence of remote and hybrid work models may reduce demand for monthly permits, and program-wide revenue and cost challenges to overall plan affordability. Some facilities remained very full, such as Northgate, Tukwila International Boulevard, and Sumner Stations were all reliably above 90 percent. Seven new facilities and five existing facilities would have Link service, which would continue to generate higher parking demand, ridership was sensitive to parking availability and parking price, and changed conditions for parking demand allowed for program evolution.

Current program elements to continue included operating a performance-based parking program with established targets, retaining CEO rate setting authority, and retaining discounts for reduced fare program users. Elements to the program requiring Board authorization included expanding facility eligibility criteria for managing parking, authorizing daily and multi-day fees and/or permits, and deciding whether to offer monthly and/or reserved permits. The program required Board and public input on whether to change program goals and priorities, if, where, and when to offer reserved parking and permit types to offer, and potential program alternatives.

Mr. Krieg reviewed the purpose of program design alternatives was to illustrate the trade-offs inherent in developing an expanded program. Staff expected their eventual recommendation would include elements from reach alternative and requested passenger and public input to assist shaping of recommendations. Lastly, the equity, ridership, and financial analyses would be performed once staff recommended an expanded program.

The program design alternatives included 3 options. Alternative A had reserved parking, had both monthly and daily fees, variable pricing, and fees would apply at select stations. Alternative B had no reserved parking, with only daily fees, variable pricing, and fees would apply at select stations. Alternative C had no reserved parking, with only daily fees, a flat rate pricing structure, and would apply to all stations. The common features of all alternatives included performance-based, ability to manage 100 percent of eligible facilities, discounted pricing for certain passengers, and would start simple and could adjust as needed.

Alternative A, reserved parking and daily fees, was a natural evolution from the previously authorized program by having daily fees in addition to monthly permits. It would allow for reserved parking at busiest facilities, charge different prices at different locations, use fewer pricing tiers to support a simpler price structure, and would potentially range from $2-$4 daily or $45-$120 monthly. The expected effect of this alternative compared to other alternatives, would bring higher ridership with HOV incentives but may be less simple to understand given the numerous permit options. The key engagement questions consisted of how important was reserved parking options to passengers and were passengers still interested in monthly parking permits.

Alternative B, no reserved parking and daily fees, would have all parking as first-come, first-served with no reserved options, this would use frequent demand-based price adjustment to always leave a number of parking spaces open, it would charge different prices at different locations, use more pricing tiers to ensure parking availability, and would potentially range from $2-$10 daily. The expected effect of this alternative compared to other alternatives, would be an increase in parking availability but with higher prices at the busiest facilities. The key engagement questions consisted of how important was reliable access to a parking space to passengers and were they willing to pay higher rates for it.

Alternative C, no reserved parking and a flat daily rate, would have all parking as first-come, first-served with no reserved options, this would charge the same price at all parking facilities, a flat fee structure would be the simplest to administer and communicate and would potentially cost $4 a day. The expected effect of this alternative compared to other alternatives, would be a higher sense of simplicity but at the expense of ridership levels, yet a higher level of revenue given the fees at all parking facilities. The key engagement questions consisted of how important was it for passengers to have a simple and consistent program that applied across the district.

The policy questions were if the agency should consider or reorder program priorities given the post-pandemic change in parking demand and requested thoughts on the program design alternatives or their key features.

Boardmember Balducci noted the sparse usage of parking garages in East King County and asked staff to share more information on the disparate usage across the parking garage locations. Mr. Krieg responded that there were many data points being tracked. He believed the two largest impacts to drive utilization was the quality of the transit service, such as Link facilities, and the post-COVID commute pattern, where Mondays presented less busy than Wednesdays as an example. Staff continue to review the data and ask the Board to find what design was best for the program to deliver flexibility.

Boardmember Backus noted the importance of considering the equity and taking a look at each Subarea. She noted there were areas in South King County where the ridership was a necessity, but the extent of service was not of significance. She also voiced not charging fees in an area where it was more of a necessity for individuals to use transit. Mr. Krieg reiterated the use of the racial equity tool and equitable engagement tool for the link fare change.

Boardmember Millar acknowledged the growing crowds based on what new station was being built and wanted to ensure staff was considering the system expansion when working with the policy. He mentioned a separate engagement study with King County Metro and Sound Transit regarding the SR167 corridor which realized the need expanded transit service in the East/West corridor that should be considered. He noted the equity amongst any form of pricing structure should consider residents within the taxing district versus those who commute in from outside of the taxing district to benefit themselves of the service that the people in the taxing district pay for. Lastly, he voiced interest in taking advantage of covered and secured space to provide more bicycle parking and encouraging HOV and decarbonization in all forms.

Chair Constantine acknowledged the layers to these alternatives and mentioned the revenue generation and if the garages could generate sufficient revenue to support financing the construction, it could potentially help with debt load for the agency and allow the agency to move forward with construction of the core work with building the light rail. He hoped the committee would consider all of staff's questions that were proposed during Mr. Krieg's presentation and welcomed a longer discussion to weigh the values and opportunities of the garage facilities.

Boardmember Franklin voiced her support and agreeance for Boardmember Millar's input. She acknowledged the end of the line parking structures, such as Everett, where a parking garage would be of high importance and would be used by people that do not pay into the system, so when talking about equity, passengers paying for services for some time would want to see people that were coming from far outside of the system paying into the system in order to also utilize the service. Chair Constantine noted the rates should be set administratively.

Boardmember Balducci spoke to the East side parking garage plans that had been pushed to the end of its capital program so having a system where it could potentially use fees to offset the cost of building those garages would be one way to move those projects. She shared that having some level of reserved parking made sense for places where the garages routinely fill up; it would provide an incentive for people who want to use the system regularly. She also shared that a level of variable pricing made sense because demand levels were too vast.

<u>Presentation on Procurement, Agreement, and Delegated Authority Policy</u>

Ted Lucas, Chief Procurement Officer, provided the presentation to initiate discussion for Board options on changes to levels of delegated authority between the Board and CEO as recommended by the Technical Advisory Group (TAG) focused on financial thresholds. The relevant portion of the agency's response, Motion No. M2023-36, instructed staff to take steps towards clarifying the roles and responsibilities of the Sound Transit Board and staff, in order to build trust, transparency, and efficiencies to deliver the program. Following the motion, staff reviewed the opportunity to update the Board's procurement, agreements, and delegated authority policy, including reviewing and updating current delegation of authority levels between the board and CEO and streamlining the nature and number of actions that currently come to the Board for approval.

Mr. Lucas reviewed the current committee contract approval subject matters with several examples for reach. The Rider Experience and Operations Committee approved purchases supporting the operation or maintenance of existing systems, assets, or business functions. The System Expansion Committee approved purchases supporting the expansion or growth of Sound Transit's service footprint, modes, or stations. The Executive Committee approved purchases supporting system wide programs such as innovation, sustainability, Transit Oriented Development (TOD), and surplus property among others. The Finance and Audit Committee had no delegated responsibilities for transaction approvals. Lastly, the Board had approval of transactions greater than $50 million upon Committee recommendation or exceptionally at any dollar value in place of committee action.

Mr. Lucas reviewed the current decision making and reporting levels. Construction/architectural and engineering (A&E) contracts were $250,000 and below classified as CEO decision without Board awareness, $5 million and below classified as CEO decision with Board awareness, $50 million and below classified as Committee decision and above $50 was Board decision. Materials, Technology, and Services (MTS) contracts were $250,000 and below classified as CEO decision without Board awareness, $2 million and below classified as CEO decision with Board awareness, $50 million and below classified as Committee decision and above $50 was Board decision. Sole source contracts were $25,000 and below classified as CEO decision without Board awareness, $250,000 and below classified as CEO decision with Board awareness, $50 million and below classified as Committee decision and above $50 was Board decision. Agreements were $5 million and below classified as CEO decision with Board awareness, $50 million and below classified as Committee decision and above $50 was Board decision. Emergency contract ratifications were $250,000 and below classified as CEO decision with Board awareness, $50 million and below classified as Committee decision and above $50 was Board decision. Real Property transactions were $500,000 and below classified as CEO decision with Board awareness, $5 million and below classified as Committee decision and above $5 million was Board decision, and lastly, proprietary contracts were $250,000 and below classified as CEO decision without Board awareness, anything above was CEO decision with Board awareness.

Mr. Lucas reviewed the number of annual actions, by way of Motions and Resolutions, between 2014 to 2023. There was a dip in numbers from 2018 to 2019 because of the last policy update that went into effect January 2019. It showed it was successful in reducing the number of actions. He then reviewed the average number of annual actions between 2019 to 2023. There was an average of 16 policy, program, project decisions, 12 budget adoptions/amendments, 10 real property, 10 Board governance, 9 agreements retained by the Board, 7 Other actions, and 56 contracts and agreements above the CEO delegation. Mr. Lucas explained that those agreements went to the committee or board because of retained Board authority and that there was a section where if the agency agreement concerned the Regional Transit Plan or involved a non-routine governmental function then it required Committee or Board approval regardless of the dollar value. He further broke down the data by providing the average number of annual actions for contracts and agreements above CEO delegation between 2019 to 2023 by dollar amount for Committee and Board.

There were four options that provided a range of possible CEO delegation options. Option A provided the construction/A&E contracts, MTS contracts, and sole source contracts CEO decision without Board awareness up for $250,000 and below, $5 million and below would require Board awareness, $50 million and below would be Committee decision and anything beyond was Board decision. Agreements would provide $5 million and below CEO decision with Board awareness, $50 million and below would be Committee decision and anything beyond was Board decision.

Option B provided the MTS contracts, and sole source contracts CEO decision without Board awareness for $250,000 and below, $5 million and below would require Board awareness, $50 million and below would be Committee decision and anything beyond was Board decision. The construction/A&E contracts would provide $250,000 and below for CEO decision without Board awareness, $10 million CEO decision with Board awareness, $50 million and below would be Committee decision anything beyond was Board decision. Agreements would provide $10 million and below CEO decision with Board awareness, $50 million and below would be Committee decision and anything beyond was Board decision.

Option C provided construction/A&E contracts and MTS contracts CEO decision without Board awareness for $250,000 and below, $10 million and below would require Board awareness, $50 million and below would be Committee decision and anything beyond was Board decision. Sole source contracts would provide $250,000 and below for CEO decision without Board awareness, $5 million CEO decision with Board awareness, $50 million and below would be Committee decision and anything beyond was Board decision. Agreements would provide $10 million and below CEO decision with Board awareness, $50 million and below would be Committee decision and anything beyond was Board decision.

Lastly, Option D provided construction/A&E contracts CEO decision without Board awareness for $250,000 and below, $20 million and below would require Board awareness, $50 million and below would be Committee decision and anything beyond was Board decision. MTS contracts provided CEO decision without Board awareness for $250,000 and below, $10 million and below would require Board awareness, $50 million and below would be Committee decision and anything beyond was Board decision. Sole source contracts would provide $250,000 and below for CEO decision without Board awareness, $5 million CEO decision with Board awareness, $50 million and below would be Committee decision and anything beyond was Board decision. Agreements would provide $20 million and below CEO decision with Board awareness, $50 million and below would be Committee decision and anything beyond was Board decision.

Mr. Lucas shared the representative reduction in number of Committee actions annually. Option A, with $5 million construction/A&E and $5 million MTS contracts, the Rider Experience and Operations (REO) Committee would see an 18 percent reduction and the System Expansion Committee (SEC) would see no change, seeing a total of 6 less actions. Option B, with $10 million construction/A&E and $5 million

MTS contracts, REO would see an 18 percent reduction and SEC would see a 9 percent reduction, totaling 11 actions. Option C, with $10 million construction/A&E and $10 million MTS contracts, REO would see a 35 percent reduction and SEC would see a 9 percent reduction, totaling 17 actions. Lastly, Option D, with $20 million construction/A&E and $10 million MTS contracts, REO would see a 35 percent reduction and SEC would see an 18 percent reduction, totaling 23 actions. For all options, the full Board would see no changes in approval numbers.

Mr. Lucas reviewed the total actions from 2019 to 2023 by contract type and provided a breakdown on what the contracts would consist of. For MTS, there were 29 actions between $2 million and $5 million. These typically included full spectrum of the types of goods and services procured by MTS including facilities maintenance, consulting services, safety and security, information technology hardware/software, etc. There were 24 actions between $5 million and $10 million which typically included Typically includes full spectrum of the types of goods and services procured by MTS including facilities maintenance, consulting services, safety & security, Information technology hardware/software, etc.

For A&E and construction contracts, there were 10 actions between $5 million and $10 million which typically included conceptual engineering and environmental review services, facility renovations, on-call engineering consultant services, design build project management services, construction. There were 27 actions between $10 million and $20 million typically included Job Order contracting construction contracts, design engineering and consulting services, design build project management services, preliminary engineering services, alternatives development services.

Data showed that increasing the CEO's delegation to at least $10 million for contracts and agreements was one possible option to achieve the Board's goals of streamlining the number of actions. No consideration was given at this time to changing the $50 million authority between the Board and committees.

Other updates for Board consideration included increasing CEO reporting requirement to Board committees from $25,000 to $250,000/Federal threshold for sole source contracts, increase the threshold for Board ratification of contracts from $250,000/Federal threshold to $5 million for emergencies, increase delegation to the CEO from $500,000 to $5 million for betterments, establish a minimum of $1 million to the requirement for Board approval of contracts exceeding 20 percent over the cost estimate for construction contracts, increasing CEO authority from $500,000 to $1 million for real property agreements, increasing delegation to the CEO from $500,000 to $2 million for preliminary project planning.

CEO Timm voiced her reservations for Option D, saying the level provided was too high and if the Board were to choose that Option to then have strict reporting rules around it. She shared more options for consideration including shifting authority for some contract types between committees to reduce the total work-load on any single committee, increase frequency of committee and Board meetings to spread out work-load within any single and provided time for policy considerations and staff reports, and review representative actions for contracts and agreements to investigate possible options for delegation of authority for actions with no or limited policy or financial implications.

Chair Constantine acknowledged the importance of good management and working towards building trust but also minding fiduciary responsibilities to ensure monies were being managed carefully and properly. He shared concern with potential delays by the processes that were put in place.

Vice Chair Somers suggested for the Finance and Audit Committee to continue discussion on this topic and return to the committee with recommendations to better inform decisions.

Boardmember Balducci agreed with Vice Chair Somers and included the suggestion of getting input from the agency's Independent Consultant, Dave Peters and TAG. She reiterated CEO Timm in the importance of receiving reports if the Board or Committees no longer have certain upfront authorizations.

Boardmember Backus, Chair of the Finance and Audit Committee, agreed to continue discussion through her committee.

Status of the Technical Advisory Group Response

CEO Julie Timm and Moises Gutierrez, Chief System Quality Officer, provided the presentation. In April 2023, there was direction, through Motion No. M2023-36 recommendation 2, to move forward on the hiring of a recruitment firm to lead the recruitment of a Megaproject Executive team and the agency had received proposals and could potentially be completed in the coming months. The agency also had published Program Management Support Services (PMSS) for West Seattle Ballard Link Extension (WSBLE), in alignment with the Technical Advisory Group's (TAG's) recommendation to better leverage consultant input.

Recommendation 1 was to rebuild trust and clarify the roles and responsibilities of the Sound Transit Board and staff. The agency had continued to incorporate suggestions by Board's independent consultant, Dave Peters, provide updated monthly Project Performance Tracker with construction projects' trend lines in June 2023 and started quarterly report to System Expansion Committee, and the second Board Annual Program Review (BAPR) was delivered in May 2023. Upcoming work included update Board Procurement, Agreements, and Delegation of Authority levels between Board and CEO by Q3 2023, and updates to the Project Performance Tracker and BAPR to incorporate additional metrics recommended by the TAG by Q4 2023.

Recommendation 3 was to implement procedures that push decision-making down to lowest level practical and foster an environment that encouraged decision-making in general. To date, there were several recommendations from TAG and the Board's independent consultant, Dave Peters that caused staff to draft a workplan to support restructuring of internal controls as part of a multi-department suite of continuous improvement efforts, that work would being in September 2023. This would incorporate continuous improvement results into agency process and procedures by Q4 2023 and launch improvements by Q1 2024. CEO Timm had also initiated agency-wide new communications practice to daylight staff project decisions and barriers to implementing decision prior to schedule and budget impacts.

Recommendation 4 was to align key procedures with industry best practices, eliminating unnecessary steps and associated delays. There was work in progress to establish 2023 workplans with the American Council of Engineering Companies (ACEC) to explore best practices based on industry feedback. Mr. Gutierrez, CEO Timm, and Deputy CEO Belman were committed to completing this task by end of year. Upcoming work including establishing a plan by Q4 2023 for a broad overhaul of quality agency-wide work, including incorporation of TAG recommendations. Implementation in phases to begin in Q4 2023 and through 2024.

Recommendation 5 was to strengthen and enforce an agency betterment policy. The agency had published Station Experience Design Guidelines in 2022, as presented to the System Expansion and Rider Experience and Operation committees. Upcoming work included reviewing, reforming, and strengthening the agency's betterment policies and/or permitting authority by Q1 2024.

Recommendation 6 was to engage the Federal Transit Administration (FTA) as a delivery partner equally invested in delivering transit to the region. CEO Timm began meeting monthly with FTA Acting Administrator and initiated conversations on strengthening relationships at executive and staff levels. There were also Quarterly FTA meetings to identify resources, demands, and commitments on delivery. Staff was hopeful in working with interested Board Members, members of the Congressional Delegation, and other Federal Partners regarding opportunities to maximize FTA partnership and capacity.

Other work taking place regarding Motion No. M2023-36 included extending contracts for TAG and the Independent Consultant. The extended scope of work for Independent Consultant Dave Peters through 2024 would include quarterly reports to the Executive Committee in partnership with TAG scope. Provided interim contract extensions for TAG members was pending Board direction on which TAG members and scope of work.

Boardmember Balducci placed emphasis on the recommendation to hire an experienced Mega Project delivery team and had not seen a resolution mapping out the scope of position, the required experience, what their position level would look like, and so forth. She felt challenged to move forward on work for this recommendation when there were many unresolved questions. CEO Timm replied that the position would be an Executive Director at the minimum and would report directly to the CEO. The position would also be supported by two directors that would report back to that new position. She felt it was critical to get the RFQ out to get proposals in hand and be able to advance a clear position to support the capital program.

Chair Constantine requested CEO Timm to provide the RFQ to the committee for their review of the language that was being presented as well as the responses that were received before any further action was taken. CEO Timm committed to that request and noted responses were expected by the following week and would look to each committee to assist in choosing the correct firm to achieve the task at hand.

Executive Session – None

Other business – None

Next meeting

Thursday, September 7, 2023
10:30 a.m. to 12:00 p.m.
Ruth Fisher Boardroom and Virtually via WebEx

Adjourn

The meeting was adjourned at 12:07 p.m.

ATTEST:

______________________________	______________________________
Dow Constantine	Kathryn Flores
Executive Committee Chair	Board Administrator

APPROVED on ____________, JG