



Resolution No. R2026-15

Environmental Mitigation Monitoring Budget Transfer

Meeting:	Date:	Type of action:
System Expansion Committee	06/11/2026	Recommend to Board
Board	06/25/2026	Final Action

Staff name:	Staff title:
Terri Mestas	Deputy CEO, Chief Capital Delivery Officer
Bernadette McDermott	Executive Director, Capital Delivery Center of Excellence
Marti Louther	Ecosystem Manager

Proposed action

Transfers \$17,503,000 from six System Expansion projects to the Environmental Mitigation Monitoring Expense Project to continue non-capitalizable monitoring and maintenance activities of ecological restoration and mitigation sites associated with system expansion projects now in revenue service.

Key features summary

- This action transfers authorized allocation from system expansion projects to the Environmental Mitigation Monitoring (EMM) Project. This action has a net-zero impact on the Transit Improvement Plan (TIP).
- Staff clarified that environmental monitoring and maintenance costs are not generally capitalizable as system expansion assets and therefore should be expensed. To facilitate the expense treatment and expeditious close out of system expansion projects, budgets related to environmental monitoring and maintenance for all system expansion projects currently in Revenue Service must be transferred and covered by the EMM Project, which is an expense project.
- Budget transfers from each project to the EMM Project are as follows: \$5,070,000 from Downtown Redmond Link Extension; \$3,681,000 from East Link Extension (near-term need); \$4,540,000 from Federal Way Link Extension (near-term need); \$3,888,000 from Lynnwood Link Extension (near-term need); \$143,000 from Northgate Link Extension; \$181,000 from Operation Maintenance Facility East (OMF-E).
- Funds were allocated to each system expansion project when baselined for long-term monitoring and maintenance of ecosystem mitigation sites. The sites were constructed to mitigate critical area impacts resulting from system expansion projects.
- The EMM Project was established in 2012 to facilitate system expansion project closures prior to completing long-term environmental permit commitments (which can range from 5-10 years or more post-construction).

- Previously, System Expansion Projects funded the monitoring and maintenance work prior to project close out, at which time System Expansion projects transferred budget into the EMM Project for the remaining duration of monitoring and maintenance activities.
- This action is a budget transfer that covers all remaining system expansion projects currently in Revenue Service that will need long-term ecosystem mitigation monitoring and maintenance to be funded through the EMM Project.
- Monitoring and maintenance task orders supporting ecosystem mitigation sites within the East Link, Federal Way Link, and Lynnwood Link project corridors need to begin immediately in 2026, therefore a mid-cycle budget transfer process is required to fund that work.
- Northgate and Operation Maintenance Facility East projects have existing Task Orders executed, however, to be consistent in treatment, they are included in this action which transfers budget for all System Expansion Projects related to the EMM in one Proposed Action.
- Moving forward, the process will be to transfer allocated budget for environmental mitigation and monitoring to the EMM project prior to the Revenue Service Date as part of the annual budget cycle.
- These budgets do not include costs for encampment removal or significant restoration because of encampment activities.

Background

Permanent and temporary impacts to regulated critical areas (i.e., wetlands, streams, buffers, steep slopes, etc.) often occur during construction of Agency System Expansion projects. Permit conditions from agencies having jurisdiction (AHJs) at the local, state, and federal level require mitigation of these impacts through construction of ecosystem mitigation sites that create, restore, and enhance similar critical areas to offset the project impacts. Those permit conditions require long-term monitoring and maintenance of the mitigation sites to ensure they meet performance criteria. The duration of “formal” monitoring and maintenance ranges from 5 to 10 years (or until the sites meet the performance standards) with additional management requirements up to 10 years beyond the formal monitoring period.

A process was developed in 2012 to facilitate system expansion project closures prior to completing the long-term permit commitments related to ecosystem mitigation. This process included creating the EMM Project, which accepted budget from the System Expansion projects to fulfill permit requirements and allowed staff to close out the projects. Budget for these long-term commitments are estimated and are included in the System Expansion project baseline budget. Sometimes, additional budget beyond what was identified in the project baseline is required because during the design and permitting phase, additional mitigation areas were determined necessary to build the project. Generally, these costs are included in the project contingency.

Budget is transferred to the EMM Project after revenue service but before the System Expansion project closes. However, the current process was recently determined by Sound Transit staff to not meet accounting standards. Monitoring and maintenance activities are generally not “capitalizable” and therefore, should be funded through expense line items or expense projects, regardless of when the costs are incurred.

Many monitoring and maintenance projects are currently using budget from System Expansion projects that have already entered revenue services. Staff require budget to be transferred to the EMM Project now, and prior to revenue service for future projects.

Budget to support monitoring and maintenance for critical areas within the East Link, Lynnwood Link, and Federal Way Link project corridors need to begin immediately and the EMM project has not been

funded for this work, therefore a mid-cycle budget transfer process is required to meet the accounting standards and fund the EMM program.

Costs associated with post-revenue service environmental monitoring, maintenance, and management will continue to be grant eligible allowing for continued grant funding drawdown.

Once the long-term environmental permit requirements have been met, continued monitoring and maintenance costs will be funded by Transit Operations, as necessary.

Fiscal information

This net-zero transfer of authorized allocation is being funded by system expansion projects in revenue service. These projects have set aside funds for this long-term obligation and are included in the Estimate at Completion as shown below. Transfer of this scope and budget will result in a reduction in EAC commensurate with the reduction in Authorized Allocation.

The tables below outline the proposed changes to the authorized allocation by phase for each project. This action is within the adopted budget. Amount for each project will be re-balanced annually and tracked against the work. There is no adjustment needed for the 2026 Annual Budget for any of the projects affected by this action.

Environmental Mitigation Monitoring

(in thousands)

Project Phase	Authorized Project Allocation		
	Current Authorized Project Allocation	Allocation Revision	Revised Authorized Project Allocation
Operations + Maintenance	1,476	17,503	18,979
Total	\$1,476	\$17,503	\$18,979

Notes:

Amounts are expressed in Year of Expenditure \$000s.
For detailed project information, see page 143 of the 2026 Adopted Budget & Financial Plan.

Downtown Redmond Link Ext

(in thousands)

Project Phase	Authorized Project Allocation		
	Current Authorized Project Allocation	Allocation Revision	Revised Authorized Project Allocation
Agency Administration	77,071	(705)	76,366
Preliminary Engineering	19,520		19,520
Final Design & Specifications	4,190		4,190
Property Acquisition	199,000		199,000
Construction	1,145,837	(4,365)	1,141,472
Construction Services	67,382		67,382
Third Parties	17,000		17,000
Vehicles			
Contingency			
Total	\$1,530,000	-\$5,070	\$1,524,930

Notes:

Amounts are expressed in Year of Expenditure \$000s.
For detailed project information, see page 143 of the 2026 Adopted Budget & Financial Plan.

Northgate Link Extension

(in thousands)

Project Phase	Authorized Project Allocation		
	Current Authorized Project Allocation	Allocation Revision	Revised Authorized Project Allocation
Agency Administration	115,510		115,510
Preliminary Engineering	15,077		15,077
Final Design & Specifications	129,157		129,157
Property Acquisition	105,126		105,126
Construction	1,337,527	(143)	1,337,384
Construction Services	109,495		109,495
Third Parties	10,863		10,863
Vehicles			
Contingency			
Total	\$1,822,756	-\$143	\$1,822,613

Notes:

Amounts are expressed in Year of Expenditure \$000s.
For detailed project information, see page 137 of the 2026 Adopted Budget & Financial Plan.

Lynnwood Link Extension

(in thousands)

Project Phase	Authorized Project Allocation		
	Current Authorized Project Allocation	Allocation Revision	Revised Authorized Project Allocation
Agency Administration	95,717		95,717
Preliminary Engineering	39,053		39,053
Final Design & Specifications	171,823		171,823
Property Acquisition	207,629		207,629
Construction	2,094,868	(3,888)	2,090,980
Construction Services	144,106		144,106
Third Parties	18,426		18,426
Vehicles			
Contingency			
Total	\$2,771,622	-\$3,888	\$2,767,734

Notes:

Amounts are expressed in Year of Expenditure \$000s.
For detailed project information, see page 138 of the 2026 Adopted Budget & Financial Plan.

Link O&M Facility East

(in thousands)

Project Phase	Authorized Project Allocation		
	Current Authorized Project Allocation	Allocation Revision	Revised Authorized Project Allocation
Agency Administration	14,119		14,119
Preliminary Engineering	8,712		8,712
Final Design & Specifications	40		40
Property Acquisition	105,584		105,584
Construction	271,295	(181)	271,114
Construction Services	18,972		18,972
Third Parties	78		78
Vehicles			
Contingency			
Total	\$418,800	-\$181	\$418,619

Notes:

Amounts are expressed in Year of Expenditure \$000s.
For detailed project information, see page 125 of the 2026 Adopted Budget & Financial Plan.

Federal Way Link Extension

(in thousands)

Project Phase	Authorized Project Allocation		
	Current Authorized Project Allocation	Allocation Revision	Revised Authorized Project Allocation
Agency Administration	106,254		106,254
Preliminary Engineering	45,419		45,419
Final Design & Specifications	6,840		6,840
Property Acquisition	260,866		260,866
Construction	1,820,941	(4,540)	1,816,401
Construction Services	167,232		167,232
Third Parties	43,982		43,982
Vehicles			
Contingency			
Total	\$2,451,535	-\$4,540	\$2,446,995

Notes:

Amounts are expressed in Year of Expenditure \$000s.

For detailed project information, see page 141 of the 2026 Adopted Budget & Financial Plan.

East Link

(in thousands)

Project Phase	Authorized Project Allocation		
	Current Authorized Project Allocation	Allocation Revision	Revised Authorized Project Allocation
Agency Administration	189,480		189,480
Preliminary Engineering	54,776		54,776
Final Design & Specifications	271,068		271,068
Property Acquisition	281,536		281,536
Construction	2,648,942	(3,681)	2,645,261
Construction Services	325,622		325,622
Third Parties	45,725		45,725
Vehicles			
Contingency			
Total	\$3,817,150	-\$3,681	\$3,813,469

Notes:

Amounts are expressed in Year of Expenditure \$000s.

For detailed project information, see page 142 of the 2026 Adopted Budget & Financial Plan.

Disadvantaged and small business participation

Not applicable to this action

Public involvement

Not applicable to this action

Time constraints

A one-month delay would not affect staff's ability to continue landscape maintenance and monitoring work for all the project identified; however, further delay would result in insufficient budget to fund work for the remainder of 2026.

Prior Board/Committee actions

Motion No. M2023-98: Authorized the chief executive officer to execute a 5-year contract with Applied Ecology LLC to provide On-Call Critical Area Landscape Maintenance Services for Sound Transit capital projects for an authorized contract amount not to exceed \$2,043,250, plus applicable taxes.

Motion No. M2023-99: Authorized the chief executive officer to execute a 5-year contract with Westgro Corporation to provide On-Call Critical Area Landscape Maintenance Services for Sound Transit capital projects for an authorized contract amount not to exceed \$2,043,250, plus applicable taxes.

Motion No. M2015-120: Authorized the chief executive officer to execute a five-year on-call contract with two one-year options to extend with Applied Ecology, LLC to provide On-Call Sensitive Area Landscape Maintenance Services for Sound Transit Capital projects for a total amount not to exceed \$1,600,000.

Motion No. M2009-84: Authorized the chief executive officer to execute a one-year contract with four additional one-year options with Restoration Logistics, LLC to provide landscape maintenance services for Link, Regional Express, and Sounder wetland and stream mitigation projects in an amount not to exceed \$1,536,595.

Environmental review – KH 6/1/26

Legal review – AJP 6/2/26



Resolution No. R2026-15

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority transferring \$17,503,000 from six System Expansion projects to the Environmental Mitigation Monitoring Expense Project to continue non-capitalizable monitoring and maintenance activities of ecological restoration and mitigation sites associated with system expansion projects now in revenue service.

WHEREAS, the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit, was formed under chapters 81.104 and 81.112 of the Revised Code of Washington (RCW) for the Pierce, King, and Snohomish Counties region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, Sound Transit is authorized to plan, construct, and permanently operate a high-capacity system of transportation infrastructure and services to meet regional public transportation needs in the Central Puget Sound region; and

WHEREAS, in general elections held within the Sound Transit district on November 5, 1996, November 4, 2008, and November 8, 2016, voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and

WHEREAS, permanent and temporary Impacts to regulated critical areas often occur during construction of Agency System Expansion projects, and permit conditions from agencies having jurisdiction at the local, state, and federal level require mitigation of these impacts through construction of ecosystem mitigation sites that create, restore, and enhance similar critical areas to offset the project impacts; and

WHEREAS, the Environmental Mitigation Monitoring (EMM) project was established in 2012 to facilitate system expansion project closures prior to completing the long-term permit commitments related to ecosystem mitigation; and

WHEREAS, the current process was recently determined by Sound Transit staff to not meet accounting standards, as monitoring and maintenance activities are generally not capitalizable and therefore, should be funded through expense line items or expense projects, regardless of when the costs are incurred; and

WHEREAS, to facilitate the expense treatment and expeditious close out of system expansion projects, budgets related to environmental monitoring and maintenance for all system expansion projects currently in Revenue Service must be transferred and covered by the EMM expense Project; and

WHEREAS, the funds transferred will include \$5,070,000 from Downtown Redmond Link Extension, \$3,681,000 from East Link Extension, \$4,540,000 from Federal Way Link Extension, \$3,888,000 from Lynnwood Link Extension, \$143,000 from Northgate Link Extension, and \$181,000 from Operation Maintenance Facility East projects;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that \$17,503,000 from six System Expansion projects be transferred to the Environmental Mitigation Monitoring Expense Project to continue non-capitalizable monitoring and maintenance activities of ecological restoration and mitigation sites associated with system expansion projects now in revenue service.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on _____.

Dave Somers
Board Chair

Attest:

Kathryn Flores
Board Administrator