

SOUND TRANSIT BOARD MEETING
Summary Minutes
January 14, 2010

Call to Order

The meeting was called to order at 1:41 p.m. by Chair Aaron Reardon, in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

Roll Call

Chair

(P) Aaron Reardon, Snohomish County Executive

Vice Chairs

(P) Fred Butler, Issaquah Deputy Council President
(P) Claudia Thomas, Lakewood Councilmember

Boardmembers

(P) Claudia Balducci, Bellevue Councilmember
(A) Richard Conlin, Seattle Council President
(P) Dow Constantine, King County Executive
(P) Jan Drago, King County Councilmember
(P) David Enslow, City of Sumner Mayor
(P) Jake Fey, City of Tacoma Deputy Mayor
(P) Paula Hammond, WSDOT Secretary
(P) John Marchione, City of Redmond Mayor

(P) Joe Marine, City of Mukilteo Mayor
(P) Pat McCarthy, Pierce County Executive
(P) Mike McGinn, City of Seattle Mayor
(P) Julia Patterson, King County Councilmember
(P) Larry Phillips, King County Councilmember
(A) Paul Roberts, Everett Councilmember
(P) Peter von Reichbauer, King County Councilmember

Ms. Marcia Walker, Board Administrator announced that a quorum of the Board was present at roll call.

Report of the Chair

Chair Reardon welcomed the four new Sound Transit Boardmembers; Bellevue City Councilmember Claudia Balducci, King County Councilmember Jan Drago, Tacoma Deputy Mayor Jake Fey, and Seattle Mayor Mike McGinn. Boardmembers Balducci, Drago and Fey gave introductory comments.

The Board and agency face many challenges and opportunities in the near future, including increasing focus on operations and service, implementing ST2, construction of University Link, and final decisions on the East Link alignment.

At the 2009 Board retreat, discussions were held concerning realigning the Board committee structure to correspond with the agency restructure. Chair Greg Nickels suggested the Board consider realignment after a new Chair was elected for 2010. Chair Reardon is working on a proposal to realign the committees. Until the new committee realignment is approved by the Board, other than membership, the committee structure will remain unchanged.

It was moved by Chair Reardon, seconded by Vice Chair Butler, and carried by the unanimous vote of all members present that the following Boardmembers members be appointed to the Executive Committee for 2010:

Executive Committee: Aaron Reardon (Chair); Fred Butler (Vice Chair); Claudia Thomas (Vice Chair); Dow Constantine; Dave Enslow; Paula Hammond; Pat McCarthy; Mike McGinn; Julia Patterson.

It was moved by Chair Reardon, seconded by Vice Chair Butler, and carried by the unanimous vote of all members present that the following Boardmembers members be appointed to the Finance Committee for 2010:

Finance Committee: Fred Butler (Chair); Dave Enslow (Vice Chair); Richard Conlin; Jan Drago; Joe Marine; Claudia Thomas; Pete von Reichbauer.

Chair Reardon announced that the Central Link Oversight Committee, formerly chaired by Boardmember Phillips, is on hiatus until further notice.

Chief Executive Officer's Report

Legislative Update

The Washington State Senate Transportation Committee held public hearings on two bills from Sound Transit's legislative program, SB 6271 and SB 6279. SB 6271, sponsored by Sen. Ed Murray, allows areas outside of the RTA to be automatically included in the RTA when they are annexed by cities within the RTA. SB 6271 was requested by the Washington State Department of Revenue (DOR) and the Association of Washington Business (AWB). SB 6279, sponsored by Sen. Adam Kline, clarifies in statute that Sound Transit projects are essential public facilities under the Growth Management Act. Steve Sheehy, Legal Counsel, testified before the Committee along with DOR and AWB in support of SB 6271.

Tukwila Segment Pipe Repair

During the December 2009 cold spell, pipes along the elevated portion of the Tukwila segment cracked. In consultation with the City of Tukwila and the SeaTac Fire Department, a decision was made to make emergency repairs to the pipes to allow the SeaTac/Airport Station to open on time. Under Ms. Earl's authority, an emergency was declared to protect the public welfare. At an upcoming Board meeting, an action will be brought before the Board to ratify the actions concerning the emergency pipe repair, which are estimated to cost approximately \$250,000.

Chief Financial Officer's Report

Chair Reardon has requested that the chief financial officer give a brief report at Board meetings on Sound Transit's budget and finances. Sound Transit closed 2009 in a strong financial position and with a cash balance of approximately \$750 million. The end-of-year closing process is underway and the results will be shared with the Audit and Reporting Committee after the process is completed. A gap between the actual tax revenues and the budget tax revenues opened up in April 2009. Each month, Sound Transit is collecting \$6 million less than what was budgeted. The revenue forecast prepared last summer incorporated the funding gap for the finance plan. The finance plan assumes a 3.4% growth rate in 2010. The national economy has begun to rebound ahead of the local economy. Dick Conway and Associates, Sound Transit's economic consultant, predicts that the Puget Sound economy will exit the recession at a slower pace than the national economy. Economic indicators show that the economic freefall has stopped, and there has been a slight uptick.

Public Comment

None.

CEO Presentation on 2009 and 2010 Sound Transit Milestones

(Boardmembers Enslow and McGinn arrived.)

Ms. Earl detailed Sound Transit's 2009 and 2010 milestones. In 2009, the agency accomplished 27 of 36 milestones, a completion rate of 75%. Uncompleted 2009 milestones will be completed in 2010.

In 2009, Sound Transit carried 18.6 million riders, compared to 16.1 million in 2008, a 15.5% increase. The ridership goal for 2009 was 19.7 million riders. In 10 years, Sound Transit has carried 105 million riders.

Central Link service launched on July 18, 2009. On opening weekend, Link carried 92,000 riders. In December, Sound Transit opened SeaTac/Airport Station two weeks ahead of schedule. Passenger traffic has exceeded expectations at SeaTac/Airport Station in the first weeks of service, with an increase of approximately 2,000 riders per day.

ORCA was launched in 2009 and will replace over 300 various regional transit passes. ORCA rollout began in April, and over 400,000 ORCA cards have been issued.

The ninth and final Sound Move Sounder trip began service in 2009. Sound Transit completed another milestone by breaking ground on the M Street to Lakewood Track and Signal project. Although it was not an agency milestone, the City of Tacoma and Sound Transit approved three agreements necessary to extend Sounder service to Lakewood. Sounder will begin service to Lakewood in 2012.

ST Express service improvements added 34,000 platform hours for ST Express service in 2009. Completed ST Express milestones included the expansion of parking at Everett Station, the opening of South Tacoma Station to buses, and groundbreakings on the Mountlake Terrace Freeway Station, Kirkland Transit Center and Newcastle Transit Improvements project.

In 2009, University Link received the \$813 million New Starts Federal Funding Agreement, allowing Sound Transit to break ground on the project.

There were nine unachieved milestones in 2009. Sound Transit did not reach an agreement with BNSF for four additional Sounder round trips between Seattle and Tacoma, an agreement will be brought before the Board for possible approval during first quarter 2010. The groundbreaking for SR 522 enhancements in project has been delayed until second quarter 2010.

Ordering 60 new ST Express buses was an unaccomplished 2009 milestone, however, through partnerships with other agencies, it was determined that only 40 new buses were needed. Three buses have already been received, and the rest will be delivered by fourth quarter 2012.

Two 2009 milestones were delayed predominantly due to the recession; adoption of the System Access Program guidelines and the planning and design of the ST Express maintenance base project. The System Access Program guidelines will be brought before the Board by third quarter 2010 and the contract award for the ST Express maintenance base will occur during the second quarter 2010.

The notice to proceed on the U-Link tunnel between the UW and Capitol Hill was slated to be accomplished by fourth quarter 2009, but was actually completed on January 4, 2010. The Edmonds Station groundbreaking is delayed until second quarter 2010, with the Edmonds City Council approving the Development Agreement and Interlocal Agreement in January 2010. An environmental restoration project on Sounder North has been shifted to 2010, and the variable message signs at Sound south stations was delayed until 2010 due to a software glitch.

The economic recession affected several other projects completed in 2009, delaying completion to later dates than anticipated.

The economic forecast for the ST2 program demonstrates a budget gap of \$3.1 billion. The Board and Sound Transit staff spent a significant amount of time in 2009 discussing how ST2 can be implemented within the forecasted revenue. In October 2009, Sound Transit issued the ST2 Implementation White Paper and presented it to the Board. The implementation strategy and principles within the White Paper such as lowering operating costs, acquiring project knowledge early, maintaining strict cost controls were used in forming the 2010 program.

There are thirty-five 2010 milestones, including reaching combined annual ridership of 25 million. The ridership goal is an ambitious goal, particularly in light of declining transit ridership nationally.

Construction projects scheduled to be completed in 2010 include the Newcastle Transit Improvements project, Sounder Layover Track Extension in Everett, the yard expansion at the Link light rail Operations and Maintenance Facility, M Street to Lakewood Track and Signal project, and the Kirkland Transit Center.

U-Link has broken ground on mobilizing the contractor for the UW to Capitol Hill tunnel segment. Sound Transit has issued the notice to proceed for the Capitol Hill to Pine Street tunnel segment of U-Link. The

Olive Way ramp has been closed for work related to the I-5 undercrossing, with substantial work on that portion of the project to be completed in 2010. 27 new light rail cars will also be delivered in 2010.

2010 Sounder-related work includes completing the BNSF agreement for four new round trips in the South Corridor, order new rail cars to serve the four new round trips, contract to develop new yard shops facility, complete design for Tukwila Sounder Station, completion of the Sounder Station Access and Demand study, and break ground on the Edmonds Station and D to M Track and Signal Improvements project.

2010 ST Express-related work includes breaking ground on the SR 522 Enhancements project in Bothell, delivery of 40 new buses, contract to develop new O&M facility, and breaking ground on Stage 2 of the I-90 project.

North Link will advance significantly in 2010 through finalizing the contract for the North Corridor High Capacity Transit project and beginning final design on North Link between UW and Northgate.

For East Link, the Board is expected to identify a single downtown Bellevue preferred alignment within the next few months, and the Final EIS will be completed by the end of 2010.

In response to Sound Transit's Sustainability Initiative, a fourth milestone category, *Committed to the Environment*, is being introduced in 2010. The milestones in this category include environmental restoration mitigation projects for Sounder north corridor, a solar power pilot project, 150 additional bicycle parking, and reduce fuel consumption by five percent.

In Sound Move, Sound Transit's Art Policy set aside 1% for public art. An Art Policy conversation related to ST2 will be brought before the Board during 2010.

Consent Agenda

Voucher Certification for November 1, 2009 through November 15, 2009

Voucher Certification for November 16, 2009 through November 30, 2009

Voucher Certification for December 1, 2009 through December 15, 2009

It was moved by Boardmember Marine, seconded by Vice Chair Thomas, and carried by the unanimous vote of all members present that the consent agenda be approved as presented.

Action Items

Items referred by the Finance Committee

Motion No. M2010-01 – Authorizing the chief executive officer to execute a contract with New Flyer Corporation for the purchase of 24 New Flyer 60-foot high capacity buses in the amount of \$22,277,786, with a 5% contingency of \$1,113,889 for a total authorized contract amount not to exceed \$23,391,675

It was moved by Vice Chair Butler, seconded by Boardmember Marchione, and carried by the unanimous vote of all Boardmembers present that Motion No. M2010-01 be approved as referred by the Finance Committee.

Motion No. M2010-02 – Authorizing the chief executive officer to execute a three-year contract with one additional one-year option with Harris and Associates to provide construction management services for the D Street to M Street Track and Signal project for Sounder in the amount of \$5,562,410, with a 10% contingency of \$556,241, for a total authorized contract amount not to exceed \$6,118,651

Vice Chair Butler announced that a change was made in the staff report. Herrera Environmental is incorrectly listed as a small business with 0.3% participation in the Small Business Participation section of the staff report. The small business utilization is 20.6%.

It was moved by Vice Chair Butler, seconded by Boardmember Marine, and carried by the unanimous vote of all Boardmembers present that Motion No. M2010-02 be approved as referred by the Finance Committee.

Motion No. M2010-11 – Authorizing the chief executive officer to execute a five-year contract with Universal Field Services, Inc. to provide on-call right of way services for Sound Transit projects for a total authorized contract amount not to exceed \$12,628,000

It was moved by Vice Chair Butler, seconded by Boardmember McCarthy, and carried by the unanimous vote of all Boardmembers present that Motion No. M2010-11 be approved as referred by the Finance Committee.

Motion No. M2010-12 – Authorizing the chief executive officer to execute a five-year contract with HDR, Inc. to provide on-call right of way services for Sound Transit projects for a total authorized contract amount not to exceed \$12,628,000

In response to a question from Boardmember Drago, Vice Chair Butler stated that Sound Transit is contracting with two firms for similar work due to the amount of work anticipated.

It was moved by Vice Chair Butler, seconded by Boardmember Marine, and carried by the unanimous vote of all Boardmembers present that Motion No. M2010-12 be approved as referred by the Finance Committee.

Executive Session

At 2:31 p.m., Chair Reardon announced that the Board would convene an executive session that would last 20 minutes. Desmond Brown, Executive Director General Counsel, announced that the purpose of the executive session is to discuss real estate negotiations which is authorized under RCW 42.30.110 subsection (1)(c) and a potential litigation claim which is authorized under RCW 42.30.110 subsection (1)(h).

At 2:51 p.m., the executive session was extended by 10 minutes.

Chair Reardon reconvened the meeting at 3:00 p.m.

Other Business

None.

Next Meeting

Thursday January 28, 2010
1:30 to 4:00 p.m.
Ruth Fisher Boardroom


Adjourn

The meeting was adjourned at 3:02 p.m.

APPROVED on March 25, 2010.

ATTEST:


Fred Butler
Board Vice Chair


Marcia Walker
Board Administrator