



September 9, 2024

Paul Thompson  
Community Oversight Panel Chair  
SENT VIA EMAIL

Dear Mr. Thompson:

As Sound Transit Board Chair, I would like to thank you and the Community Oversight Panel (COP) for your 2023 Year-End Report. Your oversight and focus on quality and fiscal responsibility helps ensure that Sound Transit fulfills our commitments to Puget Sound voters.

In 2023, Sound Transit continued making great progress on our dual mandate: operating a transit system today while simultaneously expanding throughout the region. In 2023, as we set ridership records, we expanded the T Line in Tacoma, and set ourselves up for two major transit expansions this year and next.

#### Operations milestones

- Tripled our security presence as we contracted with new security providers to expand from 128 officers to more than 400.
- Built out our fare ambassador program.
- Locked in a \$1 low-income ORCA LIFT fares.
- Repaired all long-term elevator and escalator outages in our older downtown stations, getting them back to the reliability our passengers deserve.
- Completed major State of Good Repair projects reconstructing and repairing tracks in SODO and replacing platform tiles at our Rainier Valley stations.

#### Expansion milestones

- Opened six new T Line stations in Tacoma,
- Broke ground on our future Stride bus rapid transit system,
- Opened new parking facilities in Puyallup, Lynnwood, and Redmond.

Finally, we continued to support local affordable housing productions as part of our successful Transit Oriented Development program, opening hundreds of affordable housing units in Seattle and starting construction on 130 affordable units in SeaTac near our Angle Lake Station.

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#### INTERIM CHIEF EXECUTIVE OFFICER

**Goran Sparrman**

Below you will find Sound Transit staff responses to your Year-End Report. As always, thank you for thoughtful feedback.

## **Leadership vacancies**

### Summary of Community Oversight Panel Feedback

The COP found CEO Timm to be an engaged and transparent. Turnover in senior transit leadership is not unusual in the industry. However, the near-simultaneous loss of both the CEO and Deputy CEO, combined with the lack of progress in implementing Technical Advisory Group (TAG) recommendations regarding an experienced megaproject leadership team, raises concerns about the sustainability of the agency's leadership structure and the maintenance of the delivery schedule. The COP hopes that Sound Transit will move quickly to fill these critical leadership vacancies and is encouraged that the agency quickly appointed an interim leader.

### Sound Transit Response

We share your urgency to recruit and onboard the most experienced industry leaders. In March 2024 we hired the Deputy CEO Terri Mestas to lead our capital program. After a short period of onboarding and program assessment, Terri immediately started recruitment of two deputies to lead the ST2 and ST3 programs as recommended by the Technical Advisory Group.

## **Implementation of the Technical Advisory Group Report**

### Summary of Community Oversight Panel Feedback

In February 2023 a Technical Advisory Group (TAG) convened by the Board submitted a report, "Improving the Speed of Project Delivery." The report made six major recommendations. In 2023, the COP had several discussions with the CEO and staff about these recommendations. Beyond simply accelerating project delivery, some of these items go to the heart of successful completion in any timeframe. Based on the information presented to the COP, progress has been uneven at best. In some cases, staff have been unaware of progress or have expressed lack of understanding of what progress to expect. The COP endorses all of the TAG recommendations and is hopeful that the interim leadership now in place will make their implementation top priority.

### Sound Transit Response

First, we appreciate the COP's clear endorsement of the TAG recommendations and the panel's prioritization of this work. We recognize that while well intended, staff efforts in 2023 did not match expectations in implementing this work. We are pleased to report tangible progress on the TAG recommendations in the first quarter of 2024 alone, which followed a reset plan discussed with the Board in late 2023. In addition, Interim CEO Goran Sparrman has led with a clear mandate to deliver on all the TAG recommended actions and progress has been swift under his leadership. The agency is aligned in its approach to creatively, transparently, and more urgently implement these changes. The following are key highlights of accomplishments by Sound Transit staff just in the first quarter of the year:

#### Recommendation 1

The Board to adopt policy that raises the level of procurement signing authority available to the CEO (with the goal of reducing Board time spent on approvals). CEO Sparrman implemented the policy within two weeks of his arrival in January. Staff are set to implement additional reforms to ensure this signing authority flows down to the lowest appropriate levels within the agency.

#### Recommendation 2

DCEO Terri Mestas started at the end of April 2024, and is currently building out her team.

#### Recommendation 3

Initial reforms to the agency's internal Capital Program Change Control Board (CCB) have been completed. These reforms included narrowing its scope and streamlining its processes to eliminate the focus on small changes decisions. Full reform of the CCB to ensure its focus is squarely on programmatic and portfolio level decisions and oversight is on track to be completed under Terri Mestas direction.

#### Recommendation 4

Staff have reshaped our approach to invoice management, including completing a historical analysis and setting up new tracking and communication systems which has resulted in meeting and the agency goal of processing invoices in under 30 days.

#### Recommendation 5

Through extensive and collaborative engagement with the TAG and Board leadership, we have adopted a proposed Board policy update to clearly define the agency's approach to Betterments.

#### Recommendation 6

CEO Sparrman and DCEO Mestas have prioritized building a transparent and collaborative relationship with the regional and national FTA leadership in 2024.

### **Construction Inspection**

#### Summary of Community Oversight Panel Feedback

While the COP is encouraged by the shifting culture of proactively reporting and addressing problems publicly, it is concerned about what appears to be ongoing issues with quality and other issues that impact project schedules and cost.

#### Sound Transit Response

We agree that delivering high-quality infrastructure is a top priority for the Agency and for our ridership. I have been assured that the agency has been putting measures into place to best ensure that the potential for repetitive quality issues is foreseen and avoided in further construction efforts. This is a multi-departmental effort within ST, with industry partners to help establish and implement consistent best practices. Through this high-priority collaborative effort, we are confident that any procedural, administrative, or contractual shortfalls will be identified and corrected, enabling our design and construction teams to deliver top-quality results.

### **Delivery of Service Quality Promised to the Voters in the Sound Transit 3 System Plan**

#### Summary of Community Oversight Panel Feedback

The COP mission statement calls for the Panel to "ensure that Sound Transit succeeds in meeting its commitments to the public," where these commitments are largely what is stated in the System Plans that were approved by the voters. While there can be alternative ways to deliver the promised quality of service, the COP does hope that any proposed changes in the routing, stations, transfer opportunities, or technologies implemented over the plans' long-time frames will provide the quality of service promised to the voters. In the context of evaluation of project alternatives during the planning and environmental

review process, the COP often asks staff for assurance that alternatives under consideration would achieve the goals of the System Plans, and explanations of how they would do so. In the case of some of the alternatives introduced in the past year, particularly on the West Seattle and Ballard Link Extensions, staff have been unable to provide such assurance. This will be a matter of ongoing concern to the COP in coming years.

### Sound Transit Response

Meeting the goals of the voter approved system plan is a top priority for all our projects and programs. Within our project review process. Projects approved in the System Plan do not have the benefit of environmental analysis and design. Over time projects undergo an in-depth analysis at a system level of future light rail ridership demand, service levels, and fleet requirements to ensure that we deliver the high quality of service contemplated in the Sound Transit 3 Plan. Based on more information, the Board has to make decisions on stations and alignment, while meeting the intent of the voters.

### **Farebox Recovery**

#### Summary of Community Oversight Panel Feedback

The issue of farebox recovery, and specifically Sound Transit's policy and compliance with it, remain a concern of the COP. The COP believes the agency must continue to take action to reconcile policies and targets with the observed outcomes.

### Sound Transit Response

In May the Board updated our fare policy. It includes new farebox recovery targets as follows.

- » Link: 40% ◇ 17% minimum threshold and 22% target.
- » Sounder: 23% ◇ 13% minimum threshold and 18% target.
- » ST Express: 20% ◇ 8% minimum threshold and 13% target.

In addition, the Fare Ambassador program continues to grow. The last quarterly report showed 90% compliance of people inspected. Given continued improvements in retention, procedures, and tools, leadership expects these trends to continue. The Rider Experience and Operations committee gets regular updates on the performance of our program. The Board will continue to evaluate and make continuous improvements as necessary.

Thank you in advance for continuing to stay engaged. If you have questions or comments, please don't hesitate to reach out to Interim CEO Goran Sparrman.

Sincerely,



Dow Constantine  
Chair, Sound Transit Board

cc: Sound Transit Board  
Goran Sparrman, Interim Chief Executive Officer