

**Sound Transit Board Meeting
Summary Minutes
February 27, 2003**

Call to Order

The meeting was called to order at 1:13 p.m. by Vice Chairman John Ladenburg in the Sound Transit Board Room, 401 South Jackson Street, Seattle, Washington.

Roll Call

Chair

(P) Ron Sims, King County Executive

Vice Chairs

(P) Dave Earling, Edmonds City Council President

(P) John Ladenburg, Pierce County Executive

(P) Jack Crawford, Kenmore City Councilmember

(P) Bob Drewel, Snohomish County Executive

(P) David Enslow, Sumner City Councilmember

(P) Mary Gates, Federal Way City Councilmember

(A) Jane Hague, King County Councilmember

(A) Doug MacDonald, WSDOT Secretary

(P) Richard McIver, Seattle City Councilmember

(P) Chuck Mosher, Bellevue City Councilmember

(P) Greg Nickels, City of Seattle Mayor

(P) Mark Olson, Everett City Councilmember

(A) Julia Patterson, King County Councilmember

(P) Dwight Pelz, King County Councilmember

(P) Kevin Phelps, Tacoma City Councilmember

(P) Cynthia Sullivan, King County Council Chair

(P) Claudia Thomas, City of Lakewood Deputy Mayor

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

The following Board members arrived after roll call:

Bob Drewel

Dave Earling

Ron Sims

Cynthia Sullivan

Public Comment

Mr. John Niles commented on the light rail safety certification in the design of the Central Link Light Rail Initial Segment.

(Mr. Earling and Ms. Sullivan arrived at this time.)

Mr. Will Knedlik read a letter he had sent to Board Chair Sims regarding Resolution No. 75.

Report of the Chair

Mr. Ladenburg indicated that Motion No. M2003-16, adopting revisions to Sound Transit's pay for performance system, had been removed from the agenda so that it could be discussed at

the March 6, 2003, Executive Committee and Finance Committee meetings prior to coming before the Board on March 13, 2003.

Executive Director's Report

Ms. Earl asked Ms. Agnes Govern, Regional Express Director, to report on the status of two Regional Express projects in Snohomish County. Ms. Govern stated that on behalf of Sound Transit, the Washington State Department of Transportation awarded the Ash Way direct access project contract to the Tri-State Construction Company which was 18% below the engineer's estimate, and the Lynnwood direct access project contract to the Mowat Construction Company, which was 5% below the engineer's estimate. She further commented that the two projects together would provide the first operating segment of the bus rapid transit system in our region.

Ms. Earl thanked the City of Tacoma for working with Sound Transit to relocate a 60-foot sewer line to be crossed by Sounder Commuter rail. The relocation of the sewer line was originally scheduled to take eleven months, but was completed in five months. She also commented that this is a vital connection, because it satisfies agreements with Burlington Northern Santa Fe (BNSF).

(Mr. Drewel arrived at this time.)

Mr. Ladenburg congratulated Sound Transit staff and the City of Tacoma for working collaboratively to make projects come in under the engineer's estimate and for completing projects in less time than originally anticipated.

Discussion Item

Smart Card

Mr. Paul Matsuoka, Policy and Planning Officer, gave an overview of the Smart Card discussion and introduced Ms. Barbara Gilliland, Office of Policy and Planning Project Manager, to give the give a presentation to the Board.

Ms. Gilliland indicated that a proposed contract had been developed with ERG, Inc., to provide Smart Card services. She also indicated that the contract would be managed by a joint board comprised of the participating transit agencies. An interlocal agreement to understand the rules and responsibilities for oversight would be distributed to each transit agency's governing board for review.

She noted that discussions about the vendor contract and the interlocal agreement would begin at the March 6, 2003, Executive Committee and Finance Committee meetings. She indicated that for purposes of that discussion, staff would like to have a sense of the Board's direction with regard to how to proceed should other transit properties choose not to participate at this time.

(Mr. Sims arrived at this time.)

Ms. Gilliland described the following options for the Board to consider in making its decision to proceed:

- Option A: Full participation of all transit properties with Sound Transit covering the full cost.

- Option B: Cover some of the unfunded capital and initiating operating costs. Sound Transit would not be funding additional costs for overruns.
- Option C: No subsidy to any agencies. Other transit agencies would choose to include themselves or not based on their own business case and their own financial needs. This limits financial exposure to those Sound Transit costs for implementing Smart Card.
- Option D: Sound Transit would not participate. Sound Transit would support King County Metro moving forward and make a commitment to join at a time close to the implementation of Link Light Rail.

Mr. Sims summarized that for purposes of negotiations, the Board supports Option B. He further commented that the Finance Committee would be hearing these options at an upcoming meeting and would appreciate that Committee giving a recommendation.

Committee Reports

Finance Committee

Mr. Phelps reported that the Finance Committee was briefed on the Fourth Quarter Financial report. He also reported that the Committee took action on the following item within its authority: Motion No. M2003-18, executing a contract amendment with Critical Path Consultants on core services for the project control systems. He stated that the Committee did not take action on Motion No. M2003-17, which is an extension of the task order for the WSDOT I-90 project.

Audit and Reporting Subcommittee

Mr. Phelps reported that the Audit and Reporting Subcommittee had its first meeting in 2003 and outlined a work plan. The Subcommittee will be meeting April 23, 2003, to start its audit review. The Subcommittee reviewed the subarea procedures report and will have a more complete report for the Board in April 2003.

Performance Audit Committee

Mr. Ray Gould reported that the committee established a work plan at its last meeting of the Performance Audit Committee. He distributed a letter asking for input on what should be audited and asked for Board member participation. He also reported that Cheryl Brougham, the Inspector General from the New York State Transportation Authority, gave a presentation.

Mr. Gould stated the Sound Transit has had four performance audits: in 1998 there was a financial and change order audit; in 1999 there was a public involvement and real estate audit; in 2000 there was an insurance risk audit; and in 2001 there was an audit that covered cost estimating and project control. He distributed a handout listing performance and financial audits (copy on file). Currently, Sound Transit is undergoing seven state and federal financial audits.

Next Meeting

Thursday, March 13, 2003
1:00 to 4:00 p.m.
Union Station Board Room
Seattle, Washington

Executive Session

At 2:30 p.m. the Board convened a 20-minute executive session to discuss with legal counsel potential litigation to which Sound Transit was likely to become a party. At 2:55 p.m., Chair Sims extended the executive session by 20 minutes. At 3:15 p.m. Chair Sims extended the executive session for an additional 25 minutes.

The Board reconvened in open session at 3:35 p.m.

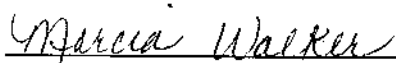
Adjourn

The Board meeting was adjourned at 3:37 p.m.

A handwritten signature in black ink, appearing to read "Ron Sims", written over a horizontal line.

Ron Sims
Board Chair

ATTEST:



Marcia Walker
Board Administrator