

**Sound Transit Board Meeting
Summary Minutes
December 11, 2003**

Call to Order

The meeting was called to order at 1:01 p.m. by Chair Ron Sims 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
(P) Jane Hague, King County Councilmember
(P) Doug MacDonald, WSDOT Secretary
(A) Richard McIver, Seattle City Councilmember
(A) Chuck Mosher, Bellevue City Councilmember

(P) Greg Nickels, City of Seattle Mayor
(A) Mark Olson, Everett City Councilmember
(P) 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. Jane Emerson, Board Coordinator, indicated a quorum of the Board was present at roll call.

The following Board members arrived after roll call:

Jane Hague
Doug MacDonald
Greg Nickels
Julia Patterson

Public Comment

Mr. Gary Hallman, Bombardier Transportation, expressed his company's disappointment in not being awarded the contract for the manufacture of light rail vehicles for Central Link.

Mr. Bob Furniss, Bombardier Transportation, stated that he does not understand the best value term. He asked the Board to review and re-evaluate the bids prior to making a decision on the award of the light rail vehicle contract.

(Board member Nickels arrived at this time.)

Ms. Shelly Yapp, University of Washington Board of Regents, spoke to the draft environmental impact statement and the impacts on the research facilities at the University of Washington.

(Board member Hague arrived at this time.)

Mr. David Schmidle, KINKISHARYO, thanked the Board for considering the contract award to KINKISHARYO for the production of Central Link light rail vehicles.

(Board member Patterson arrived at this time.)

Mr. Will Knedlik, COST Alliance, spoke to the commitments made in Sound Move.

Mr. Paul W. Locke commented on the assembly of the Central Link light rail vehicles.

Mr. Richard Borkowski spoke to the 2003 Service Implementation Plan.

Mr. Anirudh Sahni expressed his excitement for the proposed Capital Hill to Redmond ST Express bus route in the 2003 Service Implementation Plan.

Ms. Jeanne Burbidge, Federal Way Mayor, stated her pleasure with the proposed bus route between the Federal Way transit center and Seattle beginning in 2006; shared with the Board the finding that the Sound Transit land use application met all the City's codes, regulations, and comprehensive plan requirements; and thanked Board member Mary Gates for her service and leadership to the City of Federal Way and the Puget Sound region.

Report of the Chair

Mr. Sims announced a change to the order in which the items on the agenda would be acted on; specifically, the Board will go into an executive session after it has considered action on Motion No. M2003-126, Motion No. M2003-128, Resolution No. R2003-18, and Motion No. M2003-123.

(Board member MacDonald arrived at this time.)

Mr. Sims recognized five outgoing Board members who were in attendance – Bob Drewel, Dave Earling, Cynthia Sullivan, Mary Gates, and Jane Hague. He presented each of the outgoing Board members with gifts and thanked them for their hard work, the hours dedicated to Sound Transit, and their service to the Board and community.

Chief Executive Officer's Report

None.

Consent Agenda

Voucher Certification for the Month of October 2003

Voucher Certification for November 1 through November 15, 2003

Voucher Certification for November 16 through November 30, 2003

September 25, 2003, Board meeting minutes

It was moved by Mr. Phelps, seconded by Mr. Ladenburg, and carried by the unanimous vote of all Board members present that the consent agenda be approved as presented.

Action Items

Motion No. M2003-126 – Adopting the 2004 State Legislative Program and directing staff to (1) further evaluate issues for impact to Sound Transit; and (2) regularly report status of and seek policy guidance on legislative issues

It was moved by Mr. Phelps, seconded by Ms. Sullivan, and carried by the unanimous vote of all Board members present that Motion No. M2003-126 be approved as presented.

Motion No. M2003-128 – Authorizing staff to conduct additional study of a modified Montlake route for future Board consideration as part of the North Link Supplemental Environmental Impact Statement process, including additional engineering and cost estimating work, environmental analysis, continued coordination with the University of Washington, and additional community outreach efforts

It was moved by Mr. Phelps, seconded by Mr. Nickels, and carried by the unanimous vote of all Board members present that Motion No. M2003-128 be approved as presented.

Item Referred by Finance and Executive Committees

Resolution No. R2003-18 – Approving the proposed 2003 Service Implementation Plan authorizing staff to implement one new ST Express route and increase service on nine existing ST Express bus routes between 2004 and 2006, and begin the procurement process for new buses to support the proposed service expansion

It was moved by Mr. Phelps, seconded by Mr. Crawford, and carried by the unanimous vote of all Board members present that Resolution No. R2003-18 be approved as presented.

Item Referred by the Finance Committee

Motion No. M2003-123 – Authorizing the Chief Executive Officer to execute a contract with KINKISHARYO International, L.L.C./Mitsui & Co. (U.S.A.) Inc. Joint Venture, to design, manufacture, and deliver 31 low floor light rail vehicles for the Link Initial Segment, including systems support, spare parts, special tools, and test equipment in the amount of \$108,606,040 with an allowance for an economic price adjustment for inflation of \$9,579,808, an allowance for sales taxes of \$7,336,813, and with a 5% contingency of \$6,276,133 for a total authorized contract amount not to exceed \$131,798,794

It was moved by Mr. Phelps, seconded by Mr. Crawford, and carried by the unanimous vote of all Board members present that Motion No. M2003-123 be approved as presented.

Election of Officers

Mr. Sims announced that the next three action items would be to elect officers for the Board. He stated that according to Section 2.E. of Resolution No. 1-1 (amended), the Board's operating rules and procedures, the Secretary of the Washington State Department of Transportation is to preside over the Board during this process. Mr. Sims then turned the meeting over to Board member Doug MacDonald, WSDOT Secretary.

Mr. MacDonald advised that at the November 6, 2003, meeting, the Executive Committee took action to recommend John Ladenburg for Board Chair (Motion No. M2003-115). The Executive Committee did not take action on recommendations for Vice Chairs with the intention that those

would be made at the Board level. He stated that the vice chair motions were listed on the agenda as Motion Nos. M2003-116 and M2003-117.

Motion No. M2001-115 – Electing John Ladenburg as Chair of the Sound Transit Board for a two-year term commencing January 1, 2004.

It was moved by Mr. Sims, seconded by Mr. Drewel, and carried by the unanimous vote of all Board members present that Motion No. M2001-115 be approved as presented.

Motion No. M2001-116 – Electing Greg Nickels as a Vice Chair of the Sound Transit Board for a two-year term commencing January 1, 2004.

It was moved by Mr. Sims, seconded by Mr. Ladenburg, and carried by the unanimous vote of all Board members present that Motion No. M2001-116 be approved as presented.

Motion No. M2001-117 – Electing Mark Olson as a Vice Chair of the Sound Transit Board for a two-year term commencing January 1, 2004.

It was moved by Mr. Drewel, seconded by Mr. Ladenburg, and carried by the unanimous vote of all Board members present that Motion No. M2001-117 be approved as presented.

Mr. MacDonald turned the meeting back over to Mr. Sims.

Executive Session

At 2:13 p.m. the Board convened a 45-minute executive session to discuss with legal counsel potential litigation to which Sound Transit is likely to become a party. At 2:54 p.m., Chair Sims extended the executive session by 45 minutes. At 3:30 p.m., Mr. Sims announced that the executive session would be completed at approximately 4:00 p.m.

The Board reconvened in open session at 3:48 p.m., and Ms. Walker, Board Administrator, called the roll and announced a quorum of the Board was present.

Mr. Sims announced that there would be no action taken on Resolution No. R2003-22, Motion No. M2003-130, Motion No. M2003-131, Resolution No. R2003-23, Resolution No. R2003-24, Resolution No. R2003-25, Motion No. M2003-135, and Motion No. M2003-136.

Resolution No. R2003-21 – Authorizing an amendment to the Adopted 2003 Budget to provide additional funding for the Sounder Commuter Rail program budget in the amount of \$81,000,000 to make payment in December 2003 under agreements between Sound Transit and Burlington Northern Santa Fe Railway, and thereby increasing the Sounder Commuter Rail program budget from \$146,692,932 to \$227,692,932. The Chief Executive Officer is authorized to execute any and all documents as necessary to implement the budget amendment as authorized herein

Mr. Sims announced that the resolution to amend the budget requires a supermajority vote (twelve members) of the Board.

It was moved by Mr. Phelps, seconded by Ms. Gates, and carried by the unanimous vote of the fourteen Board members present that Resolution No. R2003-21 be approved as presented.

Motion No. M2003-127 – Authorizing the Chief Executive Officer to increase the total amount for consultant services to acquire real property and to relocate displaced residents and businesses for the Central Link Light Rail Initial Segment by \$2,500,000, for a new total authorized amount not to exceed \$33,007,000. Contracts with the firms identified herein shall be deemed authorized pursuant to Motion No. M99-65 (which authorized contract amendments in excess of \$200,000 without further Board approval) provided that the aggregate expenditures for all contracts shall not exceed \$33,007,000. Further, the Board ratifies existing contracts with Garry Struthers & Associates, Griffin Hill & Associates, and H.C. Peck, and ratifies a sole source engagement with Al House and Associates, for relocation/acquisition and environmental services

It was moved by Mr. Phelps and seconded by Mr. Drewel that Motion No. M2003-127 be approved as presented.

Ms. Joann Francis, Chief Administrative Officer, presented the staff report for Motion No. M2003-127.

Mr. Pelz asked if the budget was being increased by \$2.5 million with this action.

Ms. Earl replied that the contract authority would be increased by \$2.5 million for the property acquisition contracts, but would remain within the budget for the initial segment for consultants and acquisition.

The motion to approve Motion No. M2003-127 was carried by the unanimous vote of all Board members present.

Motion No. M2003-138 – Ratifying the December 8, 2003, letter agreement between Sound Transit and Qwest regarding Qwest utility relocations associated with the Central Link Light Rail Program, and authorizing the Chief Executive Officer to execute a master utility relocation agreement incorporating the terms of the December 8, 2003, letter agreement

It was moved by Ms. Gates and seconded by Ms. Thomas that Motion No. M2003-138 be approved as presented.

Mr. Ladenburg stated that many years ago the predecessor to Qwest was given free use of rights-of-way in the cities and towns in order to provide for a public utility when there was only one. Now the utility companies feel the rights-of-way belong to them. He advised that while he would be voting yes on the motion because it will save Sound Transit money, he wanted it on record that this agreement is not good public policy.

The motion to approve Motion No. M2003-138 was carried by the majority vote of all Board members present. (Mr. Earling voted in the minority.)

Resolution No. R2003-19 – Adopting an annual budget for the period from January 1 through December 31, 2004.

It was moved by Mr. Phelps and seconded by Mr. Crawford that Resolution No. R2003-19 be approved as presented.

Mr. Phelps stated that the Finance Committee began reviewing the budget in September. The Finance Committee took action on Resolution No. R2003-19 including Attachments A through E at its December 4, 2003, meeting with a do-pass recommendation to the Board. Attachment B lists

20 amendments to the budget. Mr. Phelps explained that the Board is considering five additional amendments that were identified after the Finance Committee took action on December 4, 2003. The amendments are:

Amendment 21: Amend the Sounder Commuter Rail budget for projects in the Everett to Seattle and the Lakewood to Tacoma segments to reflect the lifetime Estimate At Completion as presented to the Finance Committee on December 3, 2003 and the Board. The lifetime budgets are amended as identified in Attachment F (on file with the Board Administrator).

Amendment 22: Add to the 2004 administrative capital budget for an increase of \$273,000 for technology related equipment. The 2003 Finance and Information Services staff budget is under unspent for 2003 from what was anticipated from equipment, services and utilities.

Amendment 23: Add an additional \$60,000 to the Finance and Information Services department budget for payment to the Department of Licensing for collection of Sound Transit tax revenues. Amendment 15 added \$250,000 to the existing budget. However, based on the first three billings from Department of Licensing an additional \$60,000 will be required for 2004. The cumulative effect of Amendments 15 and 24 is to add a total of \$310,000 to the Finance and Information Services departmental and to the Agency's staff budget.

Amendment 24: Add an additional \$200,000 to the Executive department budget for temporary services required to implement an agency-wide document management system initiative.

Amendment 25: Add to the 2004 administrative capital budget for an increase of \$70,000 for document management system hardware to support the agency document management initiative. There is sufficient capacity in the overall Phase I administrative capital budget for this increase.

It was moved by Mr. Phelps, seconded by Mr. Drewel, and carried by the unanimous vote of all Board members present that Amendments 21 through 25 be added to Resolution No. R2003-19, Attachment B.

Mr. Sims announced that the adoption of the 2004 budget requires a favorable vote of two-thirds of the Board, which is twelve members.

The motion to approve Resolution No. R2003-19, as amended, was carried by the unanimous vote of the thirteen Board members present.

Committee Reports

Audit and Reporting Subcommittee

Mr. Phelps reported that the Audit and Reporting Subcommittee met and received the state audit findings. He stated that there were no findings or management issues; the auditors complimented the agency for the clean audit.

He stated that the new auditors from KPMG have begun their work.

Finance Committee

Mr. Phelps reported that the Finance Committee received an update on the 401 Deferred Compensation Plan. The Committee took action on Motion Nos. M2003-119, executing contracts

for on-call, temporary staffing services with Parker Services, VOLT, HLTJV, and Creative Services Staffing for one year, beginning January 1, 2004; Motion No. M2003-124, executing an amendment to the agreement with Puget Sound Energy to relocate natural gas lines for the Link Initial Segment; and Motion No. M2003-125, executing a contract with Dell Business Solutions to provide server network equipment and work stations.

Other Business

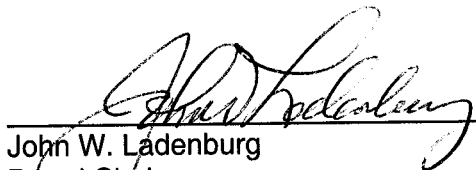
None.

Next Meeting

Thursday, January 15, 2004
1:00 to 4:00 p.m.
Union Station Board Room
Seattle, Washington

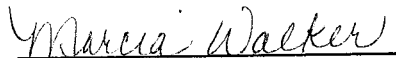
Adjourn

The meeting was adjourned at 4:13 p.m.



John W. Ladenburg
Board Chair

ATTEST:



Marcia Walker
Board Administrator