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MINUTES/PROCEEDINGS

**LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION AUTHORITY**

**REGULAR BOARD MEETING
BOARD OF DIRECTORS**

**MTA Headquarters
3rd Floor - Board Conference Room
One Gateway Plaza
Los Angeles**

May 22, 1996

Called to order at 1:22 p.m.

Directors/Alternates present:

Larry Zarian, Chair/Jan Heidt
Richard Riordan, First Vice Chair/Hal Bernson
Yvonne Brathwaite Burke, Second Vice Chair/Michael Bohlke
Richard Alatorre/Nate Holden
Michael Antonovich/Nick Patsaouras
James Cragin/Joseph Dawidziak
Deane Dana/Robert Arthur
John Fasana/Beatrice La Pisto-Kirtley
Raul Perez/Thomas J. Clark
Carol Schatz/Richard Alarcon
Mel Wilson
Zev Yaroslavsky/Robert Abernethy
Bill Dahl

Chief Executive Officer - Joseph E. Drew
Board Secretary - Helen M. Bolen
Inspector General - Arthur Sinai
General Counsel - County Counsel

1.

CLOSED SESSION

A. Conference with Real Property Negotiator concerning
Price and/or Terms of Payment-G.C.54956.8

1. Rosecrans Overpass Project Parcel AS-089
Sergio Banuelos and Maria Banuelos
123 East Compton Boulevard
Compton, California

ADMINISTRATIVE SETTLEMENT - \$160,000

2. Metro Green Line, Parcel AS-551
USA Investments, Inc.
6141 West Century Boulevard
Los Angeles, California

REAL ESTATE SETTLEMENT - WITHDRAWN BY STAFF

3. Gateway Project, Parcel USG-001, 013
Camille's Inc., d.b.a. Denny's Restaurant
530 Ramirez Street
Los Angeles, California

APPROVED 8-Year Revenue Lease at \$8,750 Per Month

4. Metro Red Line, Segment 3-East Side Extension,
Parcel EE-280
Nassir Ebrahimi as Trustee of the Saman Ebrahimi
Trust, the Sepideh Ebrahimi Trust and the Sahar
Ebrahimi Trust
2524 Cesar Chavez Avenue
Los Angeles, California

APPROVED just compensation - \$820,030

5. Metro Red Line, East Side Extension Parcel EG-409
Taylor Family Trust
3401 East First Street and
116 North Lorena Street
Los Angeles, California

APPROVED Just compensation - \$1,400,919

B. Conference with Labor Negotiator - G.C. 54957.6

1. Oral briefing: labor negotiations preparations
Agency Negotiator: Ramon Raj

Unions: United Transportation Union
Amalgamated Transit Union
Transportation Communications Union
Teamsters
Transit Police Officers' Association

NO REPORT

2. **FLAG SALUTE**

3. **PUBLIC COMMENT** received from Sen. T. Hayden, LAUSD Board Member J. Horton, C. Shabel, D. Hakman, B. D'Amato, S. Dorlandt, J. Walsh, H. Mulman, G. Norton, C. Montgomery, G. Dominick, H. Watts, Rabbi M. Sugarman, E. Mann, G. Juan, D. Gabbard, T. Roberts, J. Rosenthal, G. Schneiderman, K. Ramsey, D. Bonner, R. Garcia, N. Brogin, P. Yousefzede, M. Maloney, and J. Schneiderman.

4. **CHAIR'S REMARKS**

Chairman Zarian read an excerpt from the Brown Act related to public comment.

He also announced that the Board Meeting would be adjourned in Memory of Earl Clark, General Chairman of the United Transportation Union. Chairman Zarian and Mayor Riordan described Mr. Clark as a man of integrity and a great leader in organized labor.

County Counsel Dave Kelsey introduced Anthony Ivankovich and Richard Ray who were lay consultants who contributed to the updating of freeway call boxes (Item 19) to accommodate people with hearing and/or speech impairments.

5. CHIEF EXECUTIVE OFFICER'S REPORT

A. Upcoming issues and activities.

Chief Executive Officer gave a brief overview of the newly instituted Construction Impact Response Program. He explained that the new plan provides for a response within 72 hours and precludes the need for citizens to file formal claims.

6. DIRECTOR SPECIAL ITEMS

A. Cragin - San Fernando Valley Rail Alternatives Study

WITHDRAWN

B. Fasana - DISCUSSED Robbins Bill - SB 211

Director Fasana commented that it is difficult to garner countywide support for a deep bore subway. He expressed the opinion that repeal of SB 211 should be sought to allow use of other modes which might be more cost effective.

C. Wilson - 1. PRESENTED Resolution to Division 7 Operator Tim Taylor for facilitating the arrest of an armed man aboard his bus on May 7, 1996.

2. ACKNOWLEDGED Maintenance Employee Ron Skale for Bus Door Locking System concept

D. Wilson/
Cragin- REPORTED on receipt of APTA Safety Award

- E. Alatorre- APPROVED motion to direct the CEO to meet with representatives of the City of Los Angeles' Department of Public Works, Bureau of Contract Administration and Building Safety Department to evaluate the effectiveness of the MTA's construction inspection teams.
- F. Antonovich APPROVED for addition to the June agenda, motion that the Board instruct its representative on the Alameda Corridor Transportation Authority to bring in a motion, to add a voting member representing the cities of the San Gabriel and Pomona Valleys to the ACTA Board.

7. APPROVED:

a. Minutes of:

1. Special MTA Board meeting held March 6, 1996;
2. Special MTA Board meeting held March 21, 1996;
3. Regular MTA Board meeting held April 24, 1996;
4. April CAC meeting; and,

- b. Consent Calendar: All items considered and approved without amendment by Committees: 7a, 9-13b, 13d-25, 27-29, 32-34, 36-38, 41

PUBLIC HEARING

- 8A. **Withdrawn by staff** the Chief Executive Officer's report containing a recommendation to hold a public hearing regarding amended necessity for the acquisition of a **larger Permanent Subsurface Easement** on property owned by Taylor E. Hackford for the Metro Red Line - North Hollywood Extension, located on the north side of Hillside Avenue and west of La Brea Avenue, in the City of Los Angeles, County of Los Angeles, State of California. (Assessor No. 5572-20-002, 003 & 004)

- 3B. WITHDRAWN BY STAFF the Chief Executive Officer's report containing a recommendation to hold a public hearing regarding the necessity for the acquisition of a **Permanent Subsurface Easement** in that certain real property owned by MCA, Inc., for the Metro Red Line, Segment 3-North Hollywood Extension, located at the northwest corner of Lankershim Boulevard and Valleyheart Drive in the Universal City District of the City of Los Angeles, County of Los Angeles, State of California (Assessor No. 2423-035-012, 013 & 016).

REAL ESTATE & ASSET DEVELOPMENT COMMITTEE

9. APPROVED on Consent Calendar a recommendation to seek qualified applicants for **licensing MTA fiber optics assets.**

FINANCE & BUDGET COMMITTEE

10. APPROVED on Consent Calendar:
- A. a resolution authorizing:
1. the **refinancing of General Revenue Bonds**, Series 1995-A (the "Gateway Bonds") and financing of the swap termination payment with a par amount not-to-exceed \$195,000,000;
 2. the Preliminary Official Statement; and,
 3. other bond documents and notifications;
- B. Co-Bond Counsel for the issue as follows:
1. Kutak Rock
 2. Curls, Brown & Roushon

REQUIRED VOTE OF PRINCIPALS

11. APPROVED the exercise of the first of three one-year options on Contract No. LST-138-96 with Pacific General Insurance Services (PGIS) to administer the **Transit Bond Guarantee Program (TBGP)** for a sum not-to-exceed \$404,000 for FY 1996.

12. APPROVED on Consent Calendar contract actions for an amount not-to-exceed \$1,500,000 covering post-implementation support for the MTA's **Financial Information System (FIS)** project:
 - a. amendment to Contract #6367 for Coopers & Lybrand for \$635,000;
 - b. amendment to Contract #6325 for Oracle Corporation for \$565,000; and,
 - c. award subcontract to Transnational Computer Technology Corporation (current subcontractor to Coopers & Lybrand) for \$300,000;

Director Bohlke indicated a conflict on this item.

13. APPROVED, on Consent Calendar:
 - a. **selection of the lease financing team** proposed by CIBC Wood Gundy/Bank of New York Leasing to execute a U.S. Leveraged Lease, leasing the 30 Breda heavy rail vehicles currently in service on the Red Line Segment 1:
 1. CIBC Wood Bundy/Bank of New York Leasing, as Investor and Equity Deposit Taker,
 2. Rabobank Nederland (New York Branch), as Lending Bank and Loan Deposit Taker;
 - b. execution of the lease agreements and other documents and agreements related to the lease, sublease and pre-payment deposits;

- c. AUTHORIZED, by voice vote, County Counsel and CEO to select MTA's Co-lease counsel for the issues if agreement is not reached with Orrick, Herrington & Sutcliffe; and,
- d. selection of other required services for the structuring and closing of the lease, including but not limited to the following: deposit taker, credit enhancements and trustee services.

Directors Antonovich/Patsaouras indicated a conflict on this item.

Item 13c was pulled from the Consent Calendar for discussion by County Counsel Dave Kelsey who requested that the Board delegate authority to select lease counsel to replace Orrick, Herrington & Sutcliffe if an acceptable agreement cannot be reached. Authority was delegated to County Counsel and the CEO by unanimous voice vote.

- 14. APPROVED on Consent Calendar the purchase of **excess liability insurance for bus and rail operations**, for a cost not-to-exceed \$2,000,000, for a 12 month period effective August 1, 1996 through July 31, 1997.

OPERATIONS COMMITTEE

(Items 15, 16, & 19 were considered by the Board acting in their capacity as the Service Authority for Freeway Emergencies Board.)

- 15. APPROVED on Consent Calendar the **annual update of the Los Angeles County Service Authority For Freeway Emergencies (SAFE) Ten Year Financial Plan.**
- 16. APPROVED on Consent Calendar a three-year agreement, in an amount not-to-exceed \$8,400,000, between SAFE and the California Highway Patrol for **Metro Call Box call answering and dispatch services.**

17. APPROVED on Consent Calendar, a three-year Memorandum of Understanding (MOU) with the California Highway Patrol for operation of the **Metro Freeway Service Patrol** program in an amount not-to-exceed \$3,400,000.

18. APPROVED on Consent Calendar **extension of the following Metro Freeway Service Patrol contracts** from April 1 through October 31, 1996 and add the following amounts to the contract ceiling in order to provide service continuity during a re-procurement process authorized by the Board in January 1996:

<u>BEAT</u>	<u>CONTRACTOR</u>	<u>CONTRACT CEILING INCREASE</u>
25	City Terrace, East Los Angeles	\$180,180
35	Girard & Peterson, Burbank	<u>143,220</u>
		\$323,400

19. APPROVED on Consent Calendar:

- a. rejection of single bid submitted under Bid No. LAT-053-95 covering telecommunications **upgrade to the existing Service Authority for Freeway Emergencies (SAFE) Metro Call Box System** because of non-compliance to WBE participation goal and various bid submittal issues; and,
- b. negotiations on the open market with all qualified bidders.

20. APPROVED on Consent Calendar:
- a. ratification of charges incurred from November 1, 1995 to May 31, 1996, to Pitney Bowes Management Services for **copy center equipment leasing and services** for an estimated total of \$186,336; and,
 - b. continued lease from Pitney Bowes Management Services of one color copier used by the Gateway Copy Center for the period June 1, 1996 to September 30, 1996, for an amount not-to-exceed \$40,000.

21. APPROVED on Consent Calendar a contract amendment for an additional six months through November 30, 1996 with ABM Engineering Services, for **engineering services at MTA headquarters building**, for an amount not-to-exceed \$350,000.

22. APPROVED on Consent Calendar award of a one-year unit rate contract with four, one-year options for **paggers and paging services**, to PageNet Paging Network of Los Angeles, Inc., for an annual amount not-to-exceed \$65,258 and an overall five-year total amount not-to-exceed \$326,290.

Directors Molina/Bonzo indicated a conflict on this item.

23. APPROVED on Consent Calendar award of a contract to Gannett Fleming, Inc., San Francisco, for the design of **modifications to existing buildings at the Regional Rebuild Center**, for a total fixed amount of \$124,479.

Directors Antonovich/Patsaouras indicated a conflict on this item.

24. APPROVED on Consent Calendar:
- a. rejection of non-responsive bid submitted by Guy Construction Co., Inc., Agoura Hills, for non-compliance with DBE requirements; and,
 - b. award of a contract to Mallcraft, Inc., Altadena, the lowest responsive, responsible bidder, for the installation of a **bus interior cleaning system** at Division 5, for a total fixed price of \$260,000.
25. APPROVED on Consent Calendar **minor route modifications** on **Line 484** (LA-El Monte-La Puente-Pomona Express) and **Line 490** (LA-El Monte-Covina-Diamond Bar-Brea Express) to serve the Cal Poly Pomona Transcenter, and on Line 484 to serve the City of Pomona Regional Transit Center at the new Metrolink Station.
26. APPROVED award of a three-year contract with two one-year options to Charterways Transportation Management Inc., Los Angeles, for a three year amount not-to-exceed \$20,318,249, less passenger revenue, effective with Board adoption, for the **operation of the following six high subsidy, local bus lines:**
- Line 96 (LA-Burbank-Sherman Oaks)
 - Line 104/128 (LA-Whittier-La Mirada/Alondra Bl.)
 - Line 167 (Plummer St.- Coldwater Canyon Ave.)
 - Line 177 (Glendale-La Canada-Pasadena-Arcadia-Duarte)
 - Line 254 (Willowbrook-Gage Av.-Lorena St.)
 - Line 256 (Eastern Av.-Avenue 64-North Hill Av.)

Directors Bernson, Antonovich/Patsaouras and Holden indicated conflicts on this item.

Director Fasana requested a report on the cost of the contracted lines with MTA overhead fully allocated.

27. APPROVED on Consent Calendar:

- a. contract amendment with Northrop Grumman in an additional amount not-to-exceed \$7,200,000 for a total of \$12,200,000 for the **Advanced Technology Transit Bus (ATTB)**, to extend and fund the contract through February 28, 1997; and
- b. funding of this amendment through the following fund sources:

\$4,000,000 Federal grant from the FY 97 Federal appropriation

\$3,200,000 Local Funds reallocated from CNG Bus Purchase

\$7,200,000 Total

REQUIRED VOTE OF PRINCIPALS ONLY

Director Holden indicated a conflict on this item.

28. APPROVED on Consent Calendar:

- a. ratification of an agreement with Los Angeles Galaxy for the continued provision of **dedicated bus service to the Rose Bowl for Galaxy home games;**
- b. adoption of a \$2.00 round trip fare; and,
- c. negotiation and execution of no cost amendments.

Director Alatorre indicated a conflict on this item.

PLANNING & PROGRAMMING COMMITTEE

29. APPROVED on Consent Calendar, adoption of:

- a. the Hearing Board's **definitions, findings, and conditions for the allocation and use of FY 1996-97 TDA Article 8 funds** estimated at \$10,641,000; and,
- b. the resolution making a determination as to unmet public transportation needs in the areas of Los Angeles County outside the MTA service area.

30. APPROVED AS AMENDED, the following actions for FY 1996-97
**Transportation Improvement Program (TIP) Call for Projects
Recertification:**

- a. recertify \$207,300,000 in existing FY 1996-97 commitments from the FY 1995-96 TIP Call for Projects and authorize the expenditure of funds to meet those commitments;

AMENDMENT: THAT THE FY 1996-97 TRANSPORTATION IMPROVEMENT PROGRAM CALL FOR PROJECTS RECERTIFICATION BE AMENDED TO ALLOCATE \$20,000 IN FUTURE CALL FOR PROJECTS SAVINGS TO FUND THE PALOS VERDES PENINSULA TELECOMMUTING CENTER PROJECT TELEACCESS PROJECT COMPONENT.

- b. deobligate \$5,300,000 of previously approved project funding due to project savings, cancellations, and lapsing;
- c. require Caltrans to execute inter-agency agreements for their Traffic Management Center (TMC) equipment and design projects, totaling \$9,500,000 by June 30, 1996, authorize deobligation of \$9,500,000 in TMC funding if Caltrans does not meet this deadline and based on a Technical Advisory Committee (TAC) recommendation, allocate \$100,000 of previously approved TMC funding to study the coordination and potential co-location of regional TMCs;
- d. authorize the deobligation of the \$9,600,000 in TMC funding if Caltrans does not meet this deadline;
- e. program \$5,300,000 in revenues made available through project deobligations to the projects; and,
- f. authorize the deobligation of all FY 1991-92 and FY 1992-93 TIP Call for Projects funding commitments that are not expended (local funds) or obligated (state and federal funds) by December 31, 1996.

31. APPROVED the MIS Alternatives Screening Report and authorization to proceed concurrently and as a part of the ongoing **MIS/EIS/SEIR process for the San Fernando Valley East-West Corridor:**

- a. *East Valley (Phase 1):* Identify and develop community sensitive, alternative solutions to deep-bore subway in the area covered by state legislation(SB 211); consider cut & cover and open air subway as well as the addition of a station at Laurel Canyon Boulevard; and remove from further consideration non-cost effective ART and Busway alternatives;
- b. *West Valley (Phase 2):* Continue to evaluate the Enhanced Bus and predominantly above-ground Rail Transit extension alternatives; include these alternatives for candidate corridor analysis in the Long Range Plan update; remove from further consideration non-cost effective West Valley Subway, ART and Busway alternatives;
- c. *Technology/Construction:* Evaluate the technical feasibility of modifications to the Red Line railcar design to allow dual mode third rail/overhead pantograph electrification; prepare change order specifications for knockout panels at North Hollywood Station to allow for possible future extension of the Red Line subway tunnels;
- d. *Phasing* - Consider alternative phasing concepts at the proposed Sepulveda Station to include park and ride lots/at-grade rail extensions to Woodley and/or Balboa Boulevard; and,
- e. *Procurement* - Prepare and release a Request for Proposals (RFP) to prepare procurement guidelines and potential privatization concepts for a design-build (turnkey) project.

Director Antonovich opposed.

Dave Mieger commented that the goal is to schedule public hearings in October/November of this year and be able to select a locally preferred alternative by December 1996. He added that the FTA will be looking at cost effectiveness (cost per new rider).

EXECUTIVE MANAGEMENT COMMITTEE

32. APPROVED on Consent Calendar adoption of a resolution to revise the **MTA Records Retention Schedule**.
33. APPROVED on Consent Calendar a not-to-exceed amount of \$340,000 for **federal legislative advocacy services** commencing on July 1, 1996 and award of one-year contracts to:
1. Cliff Madison Government Relations
 2. Palumbo and Cerrell
 3. MARC Associates, Inc.
 4. Baker, Donelson et al
 5. Ann Eppard and Associates
34. APPROVED on Consent Calendar:
- a. a not-to-exceed amount of \$230,000 for **state legislative advocacy services**; and,
 - b. award of one year state legislative advocacy contracts commencing July 1, 1996 to:
 1. Capital Representation Group
 2. Nielsen, Merksamer et al.
 3. Nossaman, Gunther et al.
 4. JEA & Associates and The Robert Group

Directors Riordan and Holden indicated conflicts on this item.

CONSTRUCTION COMMITTEE

35. **Approved under Committee authority** the Chief Executive Officer's report containing a recommendation to approve Change Order No. 86 to Contract No. B215 with Tutor/Saliba Corporation to revise **fire/smoke dampers on the Wilshire/Vermont Station**, Stage II of the Metro Red Line, Wilshire Corridor in the amount of \$286,582, which increases the total contract value to \$30,367,957, and is within the current Board approved AFE amount of \$31,095,517.

36. APPROVED on Consent Calendar an increase to the Authorization for Expenditure (AFE) for Contract No. B216 with Tutor/Saliba Corporation for funding in-process **merited change orders for site restoration on the Wilshire Vermont Station**, Metro Red Line, Wilshire Corridor in the amount of \$910,382, for a revised total AFE amount of \$4,958,000.

Director Antonovich opposed.

37. APPROVED on Consent Calendar Work Authorization Change Notice (WACN) No. 47 to Contract No. B241 with Tutor-Saliba-Perini, J.V., for **temporary decking** over the Vermont/Beverly Station entrance to the Metro Red Line, Vermont/Hollywood Corridor, in the amount of \$638,064, which increases the total contract value to \$42,705,942, and is within the current Board approved Authorization for Expenditure (AFE) of \$45,053,313.

Director Antonovich opposed.

38. APPROVED on Consent Calendar Work Authorization Change Notice (WACN) No. 110 to Contract No. B261 with Tutor-Saliba-Perini, J.V., for **temporary decking** over the Vermont/Sunset Station entrance of the Metro Red Line, Vermont/Hollywood Corridor in the amount of \$601,900, which increases the total contract value to \$47,235,088, and is within the current Board approved Authorization for Expenditure (AFE) amount of \$49,463,698.

Director Antonovich opposed.

39. **Approved under Committee authority** the Chief Executive Officer's report containing a recommendation to award Contract No. C0327 to William L. Olson, Inc., the lowest-priced, responsive and responsible bidder for **demolition for station access road on the Universal City Station** of the Metro Red Line, North Hollywood Corridor, in the amount of \$362,337, with a four percent (4%) allowance of \$14,494 to cover the cost of any unanticipated changes and/or extra work, for a total Authorization for Expenditure (AFE) amount of \$376,831, contingent upon receipt of bonds, insurance, and resolution of any protest filed in a timely manner.

40. **Approved under Committee authority** a recommendation to authorize the Engineering Management Consultant (EMC) to award:
- a. a subcontract to Arquitectura for **architectural services on the Metro Red Line, East Side Extension** on a cost reimbursable basis for an estimated value of \$350,000;
 - b. a subcontract to Lim & Nascimento for **structural engineering services on the Metro Red Line, East Side Extension** on a cost reimbursable basis for an estimated value of \$275,000; and,
 - c. a subcontract to McLean & Schultz for structural engineering services on the Metro Red Line, East Side Extension on a cost reimbursable basis for an estimated value of \$275,000.

Director Patsaouras indicated a conflict on this item.

41. **APPROVED on Consent Calendar:**

- a. Amendment No. 4 to Contract Work Order (CWO) No. 1 to Contract No. MC013 with Managers of Transit Construction (MTC) for **construction management services on the Pasadena Blue Line** in the amount of \$4,801,249, which increases the total value of CWO No. 1 to \$19,777,936; and,
- b. an increase to the Authorization for Expenditure (AFE) in the amount of \$3,536,438, which includes an allowance of \$500,000, for a revised total AFE amount of \$20,352,884.

Directors Alatorre and Holden indicated conflicts on this item.

42. APPROVED:

- a. Amendment No. 12 to Contract No. FM014, with Fluor Daniel, Inc., for **Project Management Oversight and Assistance (PMO/PMA) Services** in the amount of \$1,000,000, which increases the total contract value to \$20,904,443, and extends the period of performance through July 31, 1996; and,
- b. an increase of \$1,000,000 to the AFE, for a revised total AFE amount of \$22,203,443.

Director Patsaouras indicated a conflict on this item.

43. CONSIDERED, report containing recommendations on the following **state legislation**:

AB2640	(Pringle)	Oppose
SB14	(Thompson/Boatwright)	SUPPORT
SB1868	(Hayden)	Oppose

Claudette Moody explained that AB 2640 would remove the sales tax on the gasoline excise tax resulting in a revenue loss of approximately \$90 million to Los Angeles.

SB14 would remove the entire 6% sales tax on gasoline and provide for reimbursement of those revenues by taxing the oil companies on excess profits. Staff's decision to recommend a neutral position on SB 14 was based on the uncertainty of whether the excess profits tax would take effect in a way that would actually benefit transit.

On motion duly made and seconded, the Board decided to vote on SB 14 separately.

APPROVED on the following Roll Call Vote, a position of SUPPORT on SB 14:

Ayes:	Holden, Burke, Cragin, Fasana, Perez, Wilson, Yaroslavsky
Noes:	Antonovich, Dana, Schatz, Zarian
Abstain:	None
Absent:	Molina, Goldberg

AB 2640 and SB 1868 - APPROVED the staff recommended position of OPPOSE with Directors Antonovich and Dana voting no.

Responding to query from Director Burke, staff explained that the Wolfe letter is currently being circulated in Washington, D.C. in an attempt to bifurcate the issues regarding County of Los Angeles and LAX revenues.

Director Burke requested that the Board Chairman be authorized to sign a letter to be sent to Congressman Wolfe asking that the issues be separated. Director Holden suggested that the same letter be sent to the President of the City Council.

Director Antonovich requested that an item be agendaized for next month asking the City Council to schedule Transportation Committee Hearings regarding the \$200 million for past commitments made toward overruns on the subway which are impacting the budget of the MTA.

Director Yaroslavsky commented regarding a letter being sent to Sacramento in support of the Kuykendahl/Margett legislation to change the makeup of the MTA Board. He offered a motion to oppose this compromise. The motion was seconded by Director Burke and FAILED on the following Roll Call Vote:

Ayes: Alatorre, Burke, Alarcon, Yaroslavsky
Noes: Antonovich, Cragin, Dana, Fasana, Perez, Zarian
Abstain: None
Absent: Molina, Riordan, Wilson

44. ADOPTED resolution amending the procedures of the MTA **Claims Committee**.

45. APPROVED Director Yaroslavsky's motion regarding institution of **sanctions for contractors** who are not in conformance with work order requirements and regulations.

46. Consider items not on the posted agenda:

- c. Items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Board subsequent to the posting of the agenda.

CONSIDERED the Chief Executive Officer's report containing a recommendation to authorize a contract with Detroit Diesel Corporation, Los Angeles, for an amount not-to-exceed \$1,800,000 covering an emergency procurement of up to 50 ethanol 6V92 engines.

Director Fasana asked what the savings would be if the engine repairs were contracted out. Staff responded that the cost would be approximately one half that of buying new.

Joseph Drew promised a report back in July analyzing the cost of conversion and a plan for the future.

APPROVED motion by Director Wilson to authorize the purchase of up to 100 engines at a cost of approximately \$3.5 million; the determination of the actual number of engines to be purchased will be made following an analysis of the costs of repair v. conversion v. purchase.

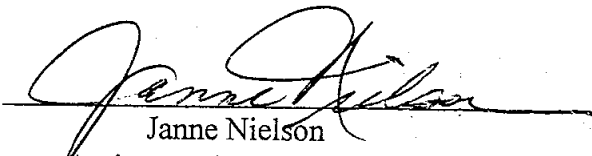
Director Burke requested a report at the next meeting on the results of the test engine conversion.

CEO Joseph Drew introduced Jim Reichert who is serving as interim Executive Officer for Operations during the recruitment process.

Director Cragin suggested that an item be added to next month's agenda regarding placing the petroleum industry under the Public Utility Commission.

ADJOURNED in memory of Earl Clark,
General Chairman of the United Transportation Union

Prepared by: Michele Jackson


Janne Nielson
Assistant MTA Secretary