



SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

MINUTES/PROCEEDINGS

SPECIAL BOARD MEETING

Board of Directors
December 21, 1989
District Board Room
425 South Main Street
Los Angeles

Called to order at 4:13 p.m. by President Swanson

Directors Present

Gordana Swanson, President
Marvin L. Holen, Vice President
Joseph S. Dunning
Larry Gonzalez
Jan Hall
Jeff Jenkins
Jerold F. Milner
Nick Patsouras

Charles H. Storing
Kenneth R. Thomas

Director Absent

Jay B. Price

1. Deliberate and take action on the Rail Construction Corporation and the contract with LACTC for design and construction of MOS-2, and any other actions with respect to rail construction.

Letter from Assemblyman Polanco to President Swanson was read into the record by the District Secretary at the request of President Swanson. (Copy of letter is on file in the District Secretary's Office.)

General Manager Pegg stated that the action of approving the contract with the LACTC is out of order because there are liabilities under the Full Funding Contract which should be satisfied before proceeding.

Legal staff commented that RTD is liable in the first instance and must rely on the LACTC to live up to the indemnification clauses in the agreement; UMTA may or may not consider this to be sufficient.

Director Patsaouras made the following motion which was seconded by Director Milner:

That the board of Directors of the Southern California Rapid Transit District ("District") adopt the Executive Summary dated December 18, 1989 and attached Agreement, Exhibit A, dated December 18, 1989, entitled, "Agreement Design and Construction of Minimum Operable Segment Two (MOS-2) of Metro Red Line and All Other Light and Heavy Rail Systems," (the "Agreement"), between the District and the Los Angeles County Transportation Commission, and authorize and direct the General Manager to execute said Agreement on behalf of the District.

Further, that the Board authorize and direct the General Manager to execute all documents and take all other actions necessary to implement the terms and conditions of the Agreement and Executive Summary.

Further, that the resolutions contained herein shall supersede all actions and resolutions previously taken by this Board regarding the subject matter of the Agreement and Executive Summary.

The following comments were received on this item:

Councilman Nate Holden stated that because of a binding contract with the City of Los Angeles, execution of this contract is not legal, and the City and UMTA do not have to give the District any additional money. He also reported that Neil Peterson had estimated an additional \$60 million of cost overruns because of this political maneuvering. He concluded that the final outcome of this action would not further the public good.

Legal Counsel read into the record a letter from John Haggerty to Nate Holden which indicated that the City Council should agree to amendment of the existing contract.

H. Watts alleged a violation of the Brown Act in that the resolution presented by Director Patsaouras should have been posted.

J. Walsh spoke in support of the pending Polanco legislation.

G. Roberts indicated his support for the position expressed by Councilman Holden.

Director Hall stated that she finds the issue of delay to the Metro Rail most distressing and indicated that she would vote against the proposed contract because it is so imperfect that it will cause chaos to the riders of Los Angeles.

Director Storing expressed displeasure at the politics of the matter.

Director Holen expressed his opinion that this document would not resolve the differences between the two agencies, and that the only resolution will come from revised legislation in Sacramento.

Director Thomas echoed the opinion that final resolution will come from legislation and stated that his vote in favor of the motion is contingent upon representations made to him that there will be no diminution of service to the bus riders

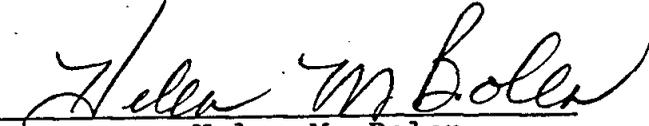
President Swanson reminded everyone that the MOU and the 8-point Plan did not resolve the differences between the two organizations. She further commented that this document is not a peace offering as it is being called by Director Patsaouras; it is an abomination and is also illegal.

The motion carried on the following Roll Call vote with 10 Directors present:

Ayes:	Dunning, Gonzalez, Jenkins, Milner, Patsouras, Thomas
Noes:	Hall, Holen, Storing, Swanson
Abstain:	None
Absent:	Price

2. Public Comment received from H. Watts who would like to see Directors Holen and Gonzalez put under oath in front of Nate Holden's Committee; and G. Roberts congratulating President Swanson on her speech.

There being no further business, the meeting adjourned at 5:18 P.M.


Helen M. Bolen
District Secretary