

MINUTES OF A REGULAR MEETING OF THE ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY GOVERNING BOARD HELD IN THE BOARD ROOM OF THE HARBOR DEPARTMENT ADMINISTRATION BUILDING AT 925 HARBOR PLAZA, LONG BEACH, CALIFORNIA, ON JANUARY 11, 2007, AT 9:00 A.M.

Members present:

Janice Hahn, City of Los Angeles
Bonnie Lowenthal, City of Long Beach
Don R. Knabe, Los Angeles County
Metropolitan Transportation Authority
James C. Hankla, Port of Long Beach
Richard D. Steinke, Port of Long Beach
Douglas Krause, Port of Los Angeles
Geraldine Knatz, Port of Los Angeles

Members absent:

None

Also present:

John T. Doherty, ACTA, Chief Executive Officer
James P. Preusch, ACTA, Chief Financial Officer
Art Goodwin, ACTA, Director of Planning
Charles Gale, ACTA, Co-General Counsel
Thomas A. Russell, ACTA, Co-General Counsel
Heather Burns, ACTA, Co-General Counsel

CHAIRPERSON HAHN PRESIDED AS CHAIR.

APPROVAL OF MINUTES.

Mr. Knabe moved, seconded by Ms. Lowenthal and unanimously carried, the minutes of the regular meeting of October 12, 2006, were declared read and approved as read.

CONSENT CALENDAR - ITEMS NOS. 1-10.

Mr. Doherty announced a correction on Item No. 6. He stated that one of the Audit Committee member positions should include the Executive Director of the Port of Long Beach, not the Port of Los Angeles.

1. MONTHLY FINANCIAL REPORTS FOR THE PERIOD ENDED NOVEMBER 30, 2006 – RECEIVED AND FILED.

Communication from James Preusch, Chief Financial Officer, dated January 11, 2007, recommending that the monthly financial reports for the period ended November 30, 2006, be received and filed, was presented to the Governing Board.

2. AUDITED FINANCIAL STATEMENTS – FY2006 – INFORMATION ITEM.

Communication from John T. Doherty, Chief Executive Officer, dated January 11, 2007, providing information regarding the Audited Financial Statements for FY2006, was presented to the Governing Board.

3. REVISED INVESTMENT POLICY – ADOPTED.

Communication from John T. Doherty, Chief Executive Officer, dated January 11, 2007, recommending adoption of the revised Investment Policy, was presented to the Governing Board.

4. QUARTERLY INVESTMENT REPORT FOR THE PERIOD ENDING SEPTEMBER 30, 2006 – RECEIVED AND FILED.

Communication from John T. Doherty, Chief Executive Officer, dated November 9, 2006, recommending that the Quarterly Investment Report for the period ending September 30, 2006, be received and filed, was presented to the Governing Board.

5. PROPERTY MANAGEMENT SYSTEM – REQUEST FOR PROPOSALS – EXECUTE AGREEMENT – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated January 11, 2007, recommending to issue a Request For Proposals (RFP) to develop a computerized property management system to access real property and utility records for the Alameda Corridor and the UPRR San Pedro Branch; and execute an agreement, if required, with the Ports regarding the system's architecture and development and training costs, was presented to the Governing Board.

6. ESTABLISHMENT OF AUDIT COMMITTEE OF THE GOVERNING BOARD – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated January 11, 2007, recommending establishing the Audit Committee as a standing committee of the Governing Board comprised of three members:

Chair: Commissioner from the Port of Los Angeles
Member: Executive Director of the Port of Long Beach
Member: LACMTA ACTA Board Representative

was presented to the Governing Board.

7. CALTRANS – AMENDMENT TO SR-47 PROJECT COOPERATIVE AGREEMENT NO. 07-4656 – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated January 4, 2007, recommending authorization for the Chief Executive Officer to execute an Amendment to the existing SR-47 Project Cooperative Agreement No. 07-4656 between ACTA and Caltrans for preliminary engineering and environmental document preparation that provides an additional \$1.5 million in minimum funding from each party; and extends the term by two years from July 1, 2007, to June 30, 2009, was presented to the Governing Board.

8. SOLE SOURCE PROCUREMENT OF CHANGEABLE MESSAGE SIGNS – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated January 11, 2007, recommending authorization for the Chief Executive Officer to execute a sole-source procurement of electronic traffic control signs for installation at the Anaheim Street and Henry Ford Avenue intersection based upon a City of Los Angeles DOT request that the signs be purchased from a specific vendor to be compatible with recent equipment purchases, was presented to the Governing Board.

9. IBI GROUP – AGREEMENTS AND AMENDMENTS FOR VARIOUS ACTA SYSTEMS DEVELOPMENT AND SUPPORT EFFORTS – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated January 5, 2007, recommending the Chief Executive Officer:

- a) Amend Agreement No. CO749 with IBI Group for an eighteen-month term extension through June 30, 2008, at a not-to-exceed amount of \$60,000 for support and maintenance of the PierPass Validation System;
- b) Execute a new agreement with IBI Group for special services related to the PierPass Validation System, as required, in an amount not to exceed \$300,000 through June 30, 2008;
- c) Amend Agreement No. CO719 with IBI Group for an eighteen-month term extension through June 30, 2008, at a not-to-exceed amount of \$90,000 for support and maintenance of ACTA's Revenue Assessment and Verification System; and
- d) Execute a new agreement with IBI Group for special services related to ACTA's Revenue Assessment and Verification System, as required, in an amount not to exceed \$250,000 through June 30, 2008, was presented to the Governing Board.

10. RESOLUTION NO. JPA 1-07 AMENDING THE ICMA-RC IRC 457 DEFERRED COMPENSATION PLAN – ADOPTED. STATEMENT OF INTENT TO AMEND THE

DEFERRED COMPENSATION PLAN – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated January 3, 2007, recommending the Governing Board adopt a resolution amending the ICMA-RC IRC 457 Deferred Compensation Plan; and authorizing the Chief Financial Officer to execute the Statement of Intent to amend the Deferred Compensation Plan, was presented to the Governing Board.

Mr. Knabe moved, seconded by Mr. Hankla, that the communications be received and filed and that Items Nos. 1-10 be approved as recommended, with the correction to Item No. 6. Carried by the following vote:

AYES: Members: Krause, Knatz, Hankla, Steinke, Knabe, Lowenthal, Hahn
NOES: None
ABSENT: None

11. BNSF RAILWAY AND UNION PACIFIC RAILROAD – AMENDMENTS TO DISPATCHING AGREEMENT AND POLICE AND SECURITY AGREEMENT – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated January 11, 2007, recommending authorization for the Chief Executive Officer to execute First Amendments to the Dispatching Agreement and the Police and Security Agreement with BNSF Railway and Union Pacific Railroad, for a second five-year term commencing April 15, 2007, to provide comprehensive Corridor train dispatching and police and security services, was presented to the Governing Board.

Mr. Hankla moved, seconded by Ms. Knatz, that the communication be received and filed and that the Chief Executive Officer be authorized to execute First Amendments to the Dispatching Agreement and the Police and Security Agreement with BNSF Railway and Union Pacific Railroad, for a second five-year term commencing April 15, 2007. Carried by the following vote:

AYES: Members: Krause, Knatz, Hankla, Steinke, Knabe, Lowenthal, Hahn
NOES: None
ABSENT: None

12. BALFOUR BEATTY RAIL, INC. – MAINTENANCE OF WAY AGREEMENT – TABLED.

Communication from John T. Doherty, Chief Executive Officer, dated January 11, 2007, recommending authorization for the Chief Executive Officer to execute the Maintenance of Way Agreement with Balfour Beatty Rail, Inc., to provide comprehensive maintenance of track, signal and communication systems and other features of the Corridor for a term of five years commencing April 15, 2007, was presented to the Governing Board.

Ms. Lowenthal moved, seconded by Mr. Knabe, that the communication be tabled and continued to the next Governing Board agenda with staff to advise the Board then as to the status of the contract negotiations and resolution of the audit. Carried by the following vote:

AYES: Members: Krause, Knatz, Hankla, Steinke, Knabe, Lowenthal, Hahn
NOES: None
ABSENT: None

13. CLOSED SESSION

At 9:15 a.m., Chairperson Hahn recessed the Governing Board meeting to hold a closed session:

(a) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Discussion of significant exposure to litigation pursuant to Subdivision (b) of Section 54956.9 of the California Government Code (two potential cases).

(b) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Subdivision (a) of Section 54956.9 – ACTA v. Kinder Morgan and ACTA v. Action Metals.

(c) PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: Chief Executive Officer
(Section 54957)

At 10:20 a.m., the meeting was again called to order by Chairperson Hahn.

14. CONSIDER COMPENSATION ADJUSTMENT FOR CHIEF EXECUTIVE OFFICER (following closed session review of performance).

Two motions:

Mr. Hankla moved, seconded by Mr. Steinke, that the Chief Executive Officer be awarded a five percent cost-of-living increase, effective the CEO's anniversary date of July 1, 2006. Carried by the following vote:

AYES: Members: Krause, Knatz, Hankla, Steinke, Knabe, Lowenthal, Hahn
NOES: None
ABSENT: None

Mr. Hankla moved, seconded by Ms. Lowenthal, that the Chief Executive Officer be

awarded a \$25,000 bonus. Carried by the following vote:

AYES: Members: Krause, Knatz, Hankla, Steinke, Lowenthal
NOES: Knabe, Hahn
ABSENT: None

15. PERFORMANCE UPDATE – INFORMATION ITEM.

Mr. Doherty gave a summary of the calendar year annual performance comparison.

16. LEGISLATIVE UPDATE – INFORMATION ITEM.

Mr. Doherty gave a legislative update.

At 10:35 a.m. Chairperson Hahn and Mr. Knabe left the meeting.

Vice Chairperson Lowenthal presided as Chair for the remainder of the meeting.

17. ACTA PROJECTS UPDATE – INFORMATION ITEM.

Communication from John T. Doherty, Chief Executive Officer, dated January 5, 2007, providing the Governing Board with a status summary update of several projects that have been undertaken by ACTA, was presented to the Governing Board.

18. RAILROAD ELECTRIFICATION REPORT – INFORMATION ITEM.

Mr. Doherty gave an overview of the Railroad Electrification Report.

19. ADJOURNMENT

At 11:10 a.m., the meeting was adjourned sine die.