

MINUTES OF A REGULAR MEETING OF THE ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY GOVERNING BOARD HELD IN THE BOARD ROOM OF THE PORT OF LOS ANGELES ADMINISTRATION BUILDING AT 425 S. PALOS VERDES STREET, SAN PEDRO, CALIFORNIA, ON FEBRUARY 13, 2014 AT 9:00 A.M.

Members present:

Gary DeLong, City of Long Beach
Joe Buscaino, City of Los Angeles
Don R. Knabe, Los Angeles County
Metropolitan Transportation Authority
Susan E. Anderson Wise, Port of Long Beach
Al Moro, Port of Long Beach
Gary Lee Moore, Port of Los Angeles

Members absent:

None – The Port of Los Angeles Commissioner position on the ACTA Governing Board is vacant since no one has been appointed to assume this responsibility.

Also present:

John T. Doherty, ACTA, Chief Executive Officer
James P. Preusch, ACTA, Chief Financial Officer
Charles Gale, ACTA, Co-General Counsel
Heather McCloskey, ACTA, Co-General Counsel

CHAIRPERSON DE LONG PRESIDED.

The meeting was called to order at 9:08 a.m.

CONSENT CALENDAR - ITEMS NOS. 1-10

1. MINUTES - ACTA GOVERNING BOARD REGULAR MEETING OF SEPTEMBER 12, 2013 – APPROVED.

Minutes of the regular meeting of September 12, 2013 of the Governing Board of the Alameda Corridor Transportation Authority were presented to the Governing Board for approval.

2. MONTHLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED NOVEMBER 30, 2013– RECEIVED AND FILED.

Communication from James P. Preusch, Chief Financial Officer, dated February 13, 2014, recommending that the monthly financial reports for the period ended November 30, 2013, be received and filed, was presented to the Governing Board.

3. THIRD QUARTER 2013 INVESTMENT REPORT - RECEIVED AND FILED.

Communication from James P. Preusch, Chief Financial Officer, dated February 13, 2014, recommending that the provided quarterly report on ACTA's Investments, as per ACTA's Investment Policy, be received and filed, was presented to the Governing Board.

4. FOURTH QUARTER 2013 INVESTMENT REPORT - RECEIVED AND FILED.

Communication from James P. Preusch, Chief Financial Officer, dated February 13, 2014, recommending that the provided quarterly report on ACTA's Investments, as per ACTA's Investment Policy, be received and filed, was presented to the Governing Board.

5. SAFER SYSTEMS, INC. – AMENDMENT TO AGREEMENT NO. 816 – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated February 13, 2014, recommending authorization for the Chief Executive Officer or Chief Financial Officer to issue an amendment to Agreement No. 816 with Safer Systems, Inc. in the amount of \$15,000 for support and auditing of existing hazardous material monitoring stations, was presented to the Governing Board.

6. NOSSAMAN – AMENDMENT TO AGREEMENT NO. 844 FOR LEGAL SERVICES – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated February 13, 2014, recommending authorization for the Chief Executive Officer or Chief Financial Officer to issue an amendment in the amount of \$120,000 to Agreement No. 844 with Nossaman, LLP for FY14 legal services required to complete necessary ACTA property transfers, was presented to the Governing Board.

7. PACIFIC HARBOR LINE (PHL) – POLICE SERVICES – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated February 13, 2014, recommending authorization for the Chief Executive Officer or Chief Financial Officer to execute any necessary agreements or amendments to existing agreements to enable Pacific Harbor Line (PHL) police to support policing efforts currently provided to ACTA by BNSF and UPRR police under the Alameda Corridor Police and Security Services Agreement, conditioned upon the final approval of the Operating Committee and approval of the documents by ACTA Counsel, was presented to the Governing

Board.

8. BALFOUR BEATTY RAIL INC. – ASSIGNMENT OF AGREEMENT NO. 782 FOR MAINTENANCE SERVICES - APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated February 13, 2014, recommending:

- 1) Authorization for the Chief Executive Officer or Chief Financial Officer to execute the necessary document(s) for the assignment of Agreement No. 782 with Balfour Beatty Rail Inc. (BBRI) to Balfour Beatty Infrastructure Inc., (BBII), after approval by the Alameda Corridor Operating Committee; and
- 2) Issue an amendment to Agreement No. 782 to accommodate this assignment, which requires no increase to contract duration or value

was presented to the Governing Board.

9. ACTA INSURANCE POLICIES – RENEWAL - APPROVED

Communication from James P. Preusch, Chief Financial Officer, dated February 13, 2014, recommending:

- 1) Authorization for the Chief Financial Officer to accept the recommendations of Willis, ACTA's Broker of Record, for placement of required insurance for the period of April 15, 2014 through April 14, 2015; and
- 2) To bind insurance, on behalf of ACTA , in accordance with the recommendations of Willis

was presented to the Governing Board.

10. NORTH OF DOMINGUEZ CHANNEL– INCREASE FOR CONTINUATION OF ENVIRONMENTAL WORK – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated February 13, 2014, recommending authorizing a \$550,000 increase for continuing environmental work north of Dominguez Channel, was presented to the Governing Board.

Board Member Moore initially requested that Item 7 be held over to another meeting. However, following further explanation by Mr. Doherty, Board Member Moore withdrew his recommendation.

Board Member Knabe motioned, seconded by Board Member Wise, that the communications be received and filed and that Items Nos. 1 and 5-10 be approved as

recommended. Carried by the following vote:

AYES: Members: DeLong, Buscaino, Knabe, Wise, Moro, Moore
NOES: None
ABSENT: None

11. REPORT OF THE AUDIT COMMITTEE – VARIOUS COMPLETED CY/FY13 AUDITS AND THE FY14 AUDIT PLAN – RECEIVED AND FILED.

Communication from James P. Preusch, Chief Financial Officer, dated February 13, 2014, recommending that the Audit Committee Chair discuss and/or recommend appropriate action(s) regarding the FY13 Audited Financial Statements, the Single Audit Report, completed CY13 internal audits, the FY14 Audit Plan, and procedural matters, if any, was presented to the Governing Board.

Board Member Knabe informed the Board that the Audit Committee met with KPMG. One of the directions given to staff by the committee was to look at current staffing, as it relates to internal controls and internal audits in light of recent staffing cuts and an existing vacant position. The Audit Committee requested that a staffing analysis be conducted of the finance organization with emphasis on where additional staff may be required. The analysis is to be presented to the Board at the next meeting.

Board Member Knabe motioned, seconded by Board Member Buscaino, that the item be received and filed. Carried by the following vote:

AYES: Members: DeLong, Buscaino, Knabe, Wise, Moro, Moore
NOES: None
ABSENT: None

12. ACTA OFFICE SPACE – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated February 13, 2014, recommending the authorization for the Chief Executive Officer or Chief Financial Officer to explore office building relocation options for FY15 due to reduced staff size and required space, using the assistance of Cushman Wakefield, was presented to the Governing Board.

Chair DeLong inquired where staff was looking and whether board members had any suggestions. Mr. Doherty informed the board that there are favorable opportunities in the Long Beach Airport area because of new complexes. There may also be other possibilities in the Carson area. An evaluation of options will be brought back to the Board with a recommendation. Mr. Doherty informed the Board that any location suggestions would be considered.

Board Member Buscaino asked that the San Pedro property located at the marina,

adjacent to the Doubletree Hotel, be considered. Mr. Doherty informed the board that it would be included.

Board Member Moro motioned, seconded by Board Member Wise, that the item be approved as recommended. Carried by the following vote:

AYES: Members: DeLong, Buscaino, Knabe, Wise, Moro, Moore
NOES: None
ABSENT: None

13. FY15 COST OF LIVING SALARY ADJUSTMENT- APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated February 13, 2014, recommending the authorization for the Chief Executive Officer or Chief Financial Officer to eliminate the employee salary freeze that has been in place for four fiscal years (FY11-FY14) and include within the FY15 budget a cost-of-living adjustment based on the change in Consumer Price Index (CPI) since the freeze was implemented, was presented to the Governing Board.

Board Member Knabe motioned, seconded by Board Member Buscaino, that the item be approved as recommended. Carried by the following vote:

AYES: Members: DeLong, Buscaino, Knabe, Wise, Moro, Moore
NOES: None
ABSENT: None

14. ACTA REGULAR MEETINGS – NEW LOCATION – ADOPTED AS AMENDED.

Communication from John T. Doherty, Chief Executive Officer, dated February 13, 2014, recommending the adoption of a Resolution changing the location of the ACTA regular Board meeting to the Port of Los Angeles Administration Building, was presented to the Governing Board.

Chair DeLong mentioned that he contacted the City of Long Beach City Clerk and the City of Long Beach Council Chamber is also available.

Board Member Knabe made a motion to amend the proposed Resolution to include the City of Long Beach Council Chamber in addition to the Port of Los Angeles Administration Building. The motion was seconded by Board Member Buscaino, that the Resolution be adopted, as amended. Carried by the following vote:

AYES: Members: DeLong, Buscaino, Knabe, Wise, Moro, Moore
NOES: None
ABSENT: None

15. ALAMEDA CORRIDOR ENGINEERING TEAM – SUPPORT SERVICES – RECEIVED AND FILED.

Mr. Doherty presented to the Board background information on the services the Alameda Corridor Engineering Team (ACET) provides, costs to date, scope, budget and current staffing. Mr. Doherty informed the Board that there are unfinished Caltrans SR-47 and program close-out activities that ACET has been instrumental in providing. He asked that the Board provide input based on four options under review: Option 1 – re-compete contract; Option 2 – extend contact; Option 3 – add ACTA positions; Option 4 – replace with several individual contracts.

Board Member Wise recommended Option 3 including the possibility of using port staff for some of the functions. There was some discussion with regard to considerable port staff work load and its ability to be able to perform certain action functions under a modified Option 3.

Board Member Moore asked how long these ACET individuals have been in their positions. Mr. Doherty responded a minimum of 10 years. Board Member Moore also asked whether ACTA positions were exempt. Mr. Doherty responded that ACTA has both exempt and non-exempt positions.

As regards to Option 3, Board Member Knabe suggested ACTA not take on additional responsibilities with staff already strained.

Board Member Moro recommended Option 2 with Option 3 to be considered at a later time. Immediate attention should be given to the structure of internal ACTA staff and project/financial controls.

Chair DeLong recommended that a combination of Option 2 and Option 3 be considered.

Mr. Doherty stated that as a result of the input, a combination of Option 2 and Option 3 will be explored for future ACET support services.

Board Member Buscaino motioned, seconded by Board Member Wise, that the item be received and filed. Carried by the following vote:

AYES: Members: DeLong, Buscaino, Knabe, Wise, Moro, Moore
NOES: None
ABSENT: None

16. SR-47 TRUCK REPLACEMENT PROGRAM – STATUS – RECEIVED AND FILED.

Mr. Doherty provided background information and current status of the Truck Replacement Program for the SR-47 Project. .

Board Member Moro motioned, seconded by Board Member Buscaino, that the item be received and filed. Carried by the following vote:

AYES: Members: DeLong, Buscaino, Knabe, Wise, Moro, Moore
NOES: None
ABSENT: None

17. TRANSFER OF PCH FUNDS – RECEIVED AND FILED.

Mr. Doherty informed the Board that funds reserved in the PCH Fund by ACTA are no longer necessary based on a Caltrans finding and staff is now consulting with bond and tax counsel to determine to what other accounts such funds can be moved.

Board Member Knabe motioned, seconded by Board Member Wise, that the item be received and filed. Carried by the following vote:

AYES: Members: DeLong, Buscaino, Knabe, Wise, Moro, Moore
NOES: None
ABSENT: None

18. CY13 PERFORMANCE UPDATE– RECEIVED AND FILED.

Mr. John Doherty presented the CY13 Performance Update.

Board Member Knabe motioned, seconded by Board Member Moore, that the item be received and filed. Carried by the following vote:

AYES: Members: DeLong, Buscaino, Knabe, Wise, Moro, Moore
NOES: None
ABSENT: None

19. TRANSLOADING TRENDS – RECEIVED AND FILED.

Mr. John Doherty presented the transloading trends.

Board Member Buscaino motioned, seconded by Board Member Moro, that the item be received and filed. Carried by the following vote:

AYES: Members: DeLong, Buscaino, Knabe, Wise, Moro, Moore

NOES: None
ABSENT: None

20. CLOSED SESSION

Mr. Charles Gale, ACTA Co-General Counsel, informed the Board that closed session was not necessary.

21. PUBLIC COMMENT

There was no one present to address the Governing Board.

22. ADJOURNMENT

At 9:47 a.m., the meeting was adjourned sine die.