

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 MAY 8, 2008, AT 9:00 A.M.

Members present:

Bonnie Lowenthal, City of Long Beach
Don R. Knabe, Los Angeles County
Metropolitan Transportation Authority
James C. Hankla, Port of Long Beach
Steve Rubin, Port of Long Beach
Geraldine Knatz, Port of Los Angeles

Members absent:

Janice Hahn, City of Los Angeles
Douglas Krause, Port of Los Angeles

Also present:

James P. Preusch, ACTA, Chief Financial Officer
Art Goodwin, ACTA, Director of Planning
Carl Wolf, ACTA, Auditor
Charles Gale, ACTA, Co-General Counsel
Thomas A. Russell, ACTA, Co-General Counsel
Heather McCloskey, ACTA, Co-General Counsel

CHAIRPERSON LOWENTHAL PRESIDED AS CHAIR.

APPROVAL OF MINUTES

Mr. Knabe moved, seconded by Mr. Rubin and unanimously carried, the minutes of the regular meeting of April 10, 2008, were approved.

CONSENT CALENDAR - ITEMS NOS. 1-16.

1. MONTHLY FINANCIAL REPORTS FOR THE PERIOD ENDED MARCH 31, 2008 – RECEIVED AND FILED.

Communication from James P. Preusch, Chief Financial Officer, dated May 8, 2008, recommending the monthly financial reports for the period ended March 31, 2008, be received and filed, was presented to the Governing Board.

2. QUARTERLY INVESTMENT REPORT FOR THE PERIOD ENDING MARCH 31, 2008 – RECEIVED AND FILED.

Communication from James P. Preusch, Chief Financial Officer, dated May 8,

2008, recommending the Quarterly Investment Report for the period ending March 31, 2008, be received and filed, was presented to the Governing Board.

3. MANATT, PHELPS & PHILLIPS – AMENDMENT TO AGREEMENT NO. 693 – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated May 8, 2008, recommending authorization for the Chief Executive Officer or Chief Financial Officer to execute an Amendment to Agreement No. 693 with Manatt, Phelps & Phillips, for federal legislative advocacy services that extends the term an additional year through FY09 for the total not-to-exceed amount of \$102,000, was presented to the Governing Board.

4. NOSSAMAN, GUTHNER, KNOX & ELLIOTT – AMENDMENT TO AGREEMENT NO. 753 – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated May 8, 2008, recommending authorization for the Chief Executive Officer or Chief Financial Officer to execute an Amendment to Agreement No. 753 with Nossaman, Guthner, Knox & Elliott's Sacramento office to provide legislative advocacy in Sacramento that extends the term one year for FY09, in the not-to-exceed amount of \$50,000, was presented to the Governing Board.

5. BUTTERFIELD COMMUNICATIONS – AMENDMENT TO AGREEMENT NO. 729 – CERRELL ASSOCIATES, INC. - AMENDMENT TO AGREEMENT NO. 730 - APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated May 8, 2008, recommending authorization for the Chief Executive Officer or Chief Financial Officer to execute an Amendment to Agreement No. 729 with Butterfield Communications in the fixed annual amount of \$250,000 plus \$12,000 in expenses for the one-year extended period July 1, 2008, through June 30, 2009; and to execute an Amendment to Agreement No. 730 with Cerrell Associates, Inc., in the fixed annual amount of \$211,000 plus \$12,000 in expenses for the one-year extended period July 1, 2008, through June 30, 2009, was presented to the Governing Board.

6. BERG ASSOCIATES, INC. – CHANGE ORDER TO ACTA CONTRACT NO. CO607 – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated May 8, 2008, recommending authorization for the Chief Executive Officer or Chief Financial Officer to execute a Change Order to ACTA Contract No. CO607 with Berg Associates, Inc., in the amount of \$425,000, for construction management services for various ACTA projects with a one-year term extension for FY09, was presented to the Governing Board.

7. VASQUEZ & COMPANY, LLP – AMENDMENT TO CONTRACT NO. CO754 – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated May 8, 2008, recommending authorization for the Chief Executive Officer or Chief Financial Officer to execute an Amendment to Contract No. CO754 with Vasquez & Company, LLP, for a one-year extension for audit support services for FY09, in the not-to-exceed amount of \$100,000, was presented to the Governing Board.

8. MAYER, HOFFMAN, AND McCANN, P.C. – AMENDMENT TO CONTRACT NO. CO762 – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated May 8, 2008, recommending authorization for the Chief Executive Officer or Chief Financial Officer to execute an Amendment to Contract No. CO762 with Mayer, Hoffman, and McCann, P.C., for a one-year term extension for audit support services for FY09 in the not-to-exceed amount of \$75,000, was presented to the Governing Board.

9. ACE ENGINEERING, INC. – AMENDMENT TO CONTRACT NO. CO737 – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated May 8, 2008, recommending authorization for the Chief Executive Officer or Chief Financial Officer to execute an Amendment to Contract No. CO737 for on-call services with Ace Engineering, Inc., for a one-year extension for FY09 in an increased amount of \$483,000, was presented to the Governing Board.

10. IBI GROUP – AMENDMENTS TO AGREEMENTS NOS. CO719, CO749, CO783, AND CO784 – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated May 8, 2008, recommending authorization for the Chief Executive Officer or Chief Financial Officer to execute Amendments to:

- (1) Agreement CO719 with IBI for a one-year term extension through June 30, 2009, at an increased contract value not-to-exceed \$66,000 for support and maintenance of ACTA's Revenue Assessment and Verification System;
- (2) Agreement CO749 with IBI for a one-year term extension through June 30, 2009, at an increased contract value not-to-exceed \$44,000 for support and maintenance of the PierPass Validation System;
- (3) Agreement CO783 with IBI for a one-year time extension through June 30, 2009, at an increased contract value not-to-exceed \$70,000 for special services related to ACTA's Revenue Assessment and Verification System;

(4) Agreement CO784 with IBI for a one-year term extension through June 30, 2009, at an increased contract value not-to-exceed \$50,000 for special services related to the PierPass Validation System.

was presented to the Governing Board.

11. DAVID DUTHIE – AMENDMENT TO CONSULTANT SERVICE AGREEMENT NO. 714 – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated May 8, 2008, recommending authorization for the Chief Executive Officer or Chief Financial Officer to execute an Amendment to Consultant Service Agreement No. 714 with David Duthie for utility coordination services in an amount not to exceed \$25,000, was presented to the Governing Board.

12. PACIFIC RAILWAY ENTERPRISES, INC. - AMENDMENT TO AGREEMENT NO. 711 – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated May 8, 2008, recommending authorization for the Chief Executive Officer or Chief Financial Officer to execute an Amendment to Agreement No. 711 with Pacific Railway Enterprises, Inc., in an amount not to exceed \$200,000, to provide additional on-call railroad signal design and support services extending the term through June 30, 2009, was presented to the Governing Board.

13. HDR ENGINEERING, INC. - AMENDMENT TO AGREEMENT NO. D0597 – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated May 8, 2008, recommending authorization for the Chief Executive Officer or Chief Financial Officer to execute an Amendment to Agreement No. D0597 with HDR Engineering, Inc., for design support services to close out the Pacific Coast Highway Project, in the amount of \$20,000, and extending the term through June 30, 2009, was presented to the Governing Board.

14. NORTH AMERICAN EMERGENCY MANAGEMENT - AMENDMENT TO AGREEMENT NO. 337 – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated May 8, 2008, recommending authorization for the Chief Executive Officer or Chief Financial Officer to execute an Amendment to Agreement No. 337 with North American Emergency Management for emergency preparedness planning and annual field exercises, in the amount of \$50,000, and extending the term through June 30, 2009, was presented to the Governing Board.

15. RON RAKICH AND ASSOCIATES, INC. - AMENDMENT TO AGREEMENT NO.

712 – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated May 8, 2008, recommending authorization for the Chief Executive Officer or Chief Financial Officer to execute an Amendment to Agreement No. 712 with Ron Rakich and Associates, Inc., for risk management services, extending the term through June 30, 2009, in an amount not to exceed \$50,000, was presented to the Governing Board.

16. CALIFORNIA TRANSPORTATION COMMISSION – BASELINE AGREEMENTS – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated May 8, 2008, recommending authorization for the Chief Executive Officer or Chief Financial Officer to execute or co-execute Baseline Agreements in substantially the form attached to the Governing Board memo with the California Transportation Commission in order to receive Measure IB proceeds from the Trade Corridors Improvement Fund (TCIF), was presented to the Governing Board.

Mr. Hankla moved, seconded by Ms. Knatz, that the communications be received and filed and that Items Nos. 1-16 be approved as recommended. Carried by the following vote:

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

17. AGREEMENTS WITH LAW FIRMS FOR ACTA LEGAL SERVICES – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated May 8, 2008, recommending authorization for the Chief Executive Officer or Chief Financial Officer to enter into Agreements in substantially the form attached to the Governing Board memo with eleven law firms: Bergman & Dacey; Gibbs, Giden; Jones Day; Keesal Young; Allen Matkins; Nossaman; O'Melveny; Quateman; Smith & Rendon; Squire Sanders; and Weston Benshoof, for a five-year term in the aggregate amount of \$1,800,000, for FY09, was presented to the Governing Board.

Chairperson Lowenthal requested Keesal Young be removed from the list of law firms to be approved due to a conflict of interest. She stated that her alternate, Councilmember Gary DeLong, would be coming to the meeting and that the Keesal Young Agreement would be voted on separately.

Mr. Hankla moved, seconded by Mr. Knabe, that the communication be received and filed and that the Chief Executive Officer or Chief Financial Officer be authorized to enter into Agreements in substantially the form attached to the Governing Board memo with ten law firms: Bergman & Dacey; Gibbs, Giden; Jones Day; Allen Matkins;

Nossaman; O'Melveny; Quateman; Smith & Rendon; Squire Sanders; and Weston Benshoof, for a five-year term in the aggregate amount not to exceed \$1,800,000. Carried by the following vote:

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

18. ACET ANNUAL CONTRACT WORK ORDERS AND CORRESPONDING CHANGE ORDERS TO AMENDED AGREEMENT NO. CO027 – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated May 8, 2008, recommending authorization for the Chief Executive Officer or Chief Financial Officer to issue annual Contract Work Orders and corresponding Change Orders to Amended Agreement No. CO027 for services provided by the Alameda Corridor Engineering Team (ACET) as follows:

- (1) Approve FY08/09 ACTA Support Work Order (CWO) for the period July 1, 2008, through June 30, 2009, and issue Change Order in the amount of \$5,303,750;
- (2) Approve FY08/09 Pacific Coast Highway closeout CWO for the period July 1, 2008, through June 30, 2009, and issue Change Order in the amount of \$156,129;
- (3) Approve FY08/09 SR-47 Expressway CWO for the period July 1, 2008, through June 30, 2009, and issue Change Order in the amount of \$1,783,407;
- (4) Increase the not-to-exceed total contract value by the combined amount of \$7,243,286 from \$208,856,192 to \$216,099,479 to incorporate the CWOs and Change Orders listed above; and
- (5) Extend the ACET program management and staff augmentation agreement from December 31, 2008, to December 31, 2013, to accommodate and facilitate essential ongoing staff support and management of the SR-47 Project through completion, was presented to the Governing Board.

Mr. Hankla asked if the cost for additional work on Pacific Coast Highway would be shared as in the original PCH Grade Separation or if it were a total expense for ACTA.

Mr. Preusch stated that there is a small amount of money due from Caltrans. He stated that the closeout is only valued at \$156,000, and that the work is near completion. He stated that Caltrans is participating to the extent that they still have funds remaining.

Ms. Knatz moved, seconded by Mr. Rubin, that the communication be received and filed and that the Chief Executive Officer or Chief Financial Officer be authorized to issue annual Contract Work Orders and corresponding Change Orders to Amended Agreement No. CO027 for services provided by the Alameda Corridor Engineering Team (ACET) as recommended. Carried by the following vote:

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

19. FY2008/2009 ACTA BUDGET – ADOPTED.

Communication from James P. Preusch, Chief Financial Officer, dated May 8, 2008, recommending adoption of the FY 2008/2009 ACTA budget and appropriate cash spending of \$140,263,209 during FY 2008/2009, was presented to the Governing Board.

Mr. Preusch introduced two people that worked very hard on preparing the budget – Trang Nguyen and April See.

Ms. April See gave a presentation on the FY09 Budget. She stated that the cash flow by each individual fund source that Mr. Rubin requested at the last Governing Board meeting was included on Page 21 of the budget.

Mr. Hankla moved, seconded by Mr. Rubin, that the communication be received and filed and that the FY 2008/2009 ACTA budget and appropriate cash spending of \$140,263,209 during FY 2008/2009, be adopted. Carried by the following vote:

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

20. RAILROAD EMISSIONS PRESENTATION – INFORMATION ITEM.

Mr. Art Goodwin introduced Mr. David Seep, Director of Environmental Engineering and Program Development of the BNSF Railroad.

Mr. Goodwin also introduced Mr. Lannie Smith from the Union Pacific Railroad and stated that Mr. Smith was in the audience and available for questions regarding locomotives on the UP Railroad.

Mr. Seep gave a presentation on BNSF Railroad technology and the new EPA regulations.

Chairperson Lowenthal requested Mr. Seep explain what Tiers 1 and 2 are.

Mr. Seep stated that Tiers 1 and 2 is an EPA designation of locomotives emission levels that can be allowed. He stated that Tier 0 is less stringent, Tier 1 is more stringent, and Tier 2 is the best quality of locomotives that BNSF has by EPA emissions standards.

Mr. Knabe asked if Tier 2 was the highest in the EPA standards.

Mr. Seep stated that currently Tier 2 is the best locomotives standards.

Mr. Rubin asked if BNSF was planning to retrofit their locomotives to the Tier 0 standards.

Mr. Seep stated that BNSF plans to retrofit engines that are either pre-Tier 0 or that are currently Tier 0. He stated that there are locomotives below Tier Zero, that they are called "non-regulated."

Chairperson Lowenthal asked if there are any "non-regulated" locomotives in Southern California.

Mr. Seep stated he did not know the answer to Chairperson Lowenthal's question.

Mr. Goodwin stated that a memo would be prepared for the Governing Board with below-Tier Zero standards in the Long Beach/Los Angeles area.

Ms. Knatz noted to compare what was included in the Clean Air Action Plan that both Ports adopted which basically says that Tier 3 is required by 2012.

Mr. Seep stated that the Environmental Protection Agency's regulations are Tier 3 by 2012-2014 by purchasing new locomotives.

Chairperson Lowenthal requested a breakdown of railroad emissions by yard switchers, road switchers, intermodal, and merchandise.

Ms. Knatz asked what year BNSF would estimate that all of the locomotives coming in and out of the LA Basin would be Tier 3.

Mr. Seep stated he would have to get back to the Governing Board with that answer.

At 9:40 a.m. Long Beach Councilmember Gary DeLong, Chairperson Lowenthal's alternate on the Governing Board, arrived at the meeting.

Chairperson Lowenthal requested to reconsider agenda Item No. 17.

Chairperson Lowenthal recused herself from the meeting due to a conflict of

interest in Item No. 17 pertaining to the law firm of Keesal Young. Chairperson Lowenthal left the meeting. Mr. Gary DeLong, Chairperson Lowenthal's alternate on the ACTA Governing Board, joined the Governing Board meeting.

17. AGREEMENT WITH THE LAW FIRM OF KEESAL YOUNG FOR ACTA LEGAL SERVICES – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated May 8, 2008, recommending authorization for the Chief Executive Officer or Chief Financial Officer to enter into an Agreement in substantially the form attached to the Governing Board memo with the law firm of Keesal Young for a five-year term in the not-to-exceed amount of \$200,000, for FY09, was presented to the Governing Board.

Mr. Hankla moved, seconded by Mr. Knabe, that the communication be received and filed and that the Chief Executive Officer or Chief Financial Officer be authorized to enter into an Agreement in substantially the form attached to the Governing Board memo with the law firm of Keesal Young for a five-year term in the not-to-exceed amount of \$200,000, for . Carried by the following vote:

AYES: Members:Knatz,Hankla,Rubin,Knabe,DeLong
NOES: None
ABSENT: Krause,Hahn

Mr. DeLong left the meeting.

Chairperson Lowenthal returned to the meeting.

21. SR-47 UPDATE – INFORMATION ITEM.

Mr. Art Goodwin gave a presentation on the SR-47 Project. He stated that Caltrans recommended recirculation of certain portions of the SR-47 EIR document for air quality, traffic, and health risk assessment for more transparency with the EIR. He stated that the public review period for the recirculation would close on July 17, 2008.

Mr. Hankla stated that the Directive the Governing Board had previously given to ACTA staff, to see if ACTA could support other construction projects in the region, was prior to receipt of funding for SR-47. He stated that he thought the Governing Board should revisit that Directive, because he believes ACTA staff will be fully occupied with the SR-47 project. Mr. Hankla doesn't think it makes much sense to be trying to figure out how to become involved in other transportation projects at this point. Mr. Hankla recommended ACTA concentrate on the SR-47 Project and not get involved in other regional transportation projects at this time. He recommended that the matter be put on the agenda for the next Governing Board meeting to change the Directive to ACTA staff.

Mr. Preusch stated he believed Mr. Hankla's recommendation was a good

suggestion, that ACTA clearly should not be engaged at this point in trying to manage projects out of the area, such as the Colton crossing, for example.

22. LEGISLATIVE UPDATE – INFORMATION ITEM.

Mr. Preusch gave a legislative update as follows: “TCIF Funds are continuing to move on a dual track, both on administrative and legislative. The administrative track is focused on post-programming decisions made during April by the CTC. We now have a program targeting preparation of baseline agreements with every agency that is sponsoring projects. The key points will be scope, schedule and funding plan. Item no. 16 earlier on the consent calendar, the Governing Board authorized the CEO to enter into those agreements on behalf of ACTA. The agreements need to be completed before June 30, 2008. That is a very aggressive schedule the CTC has put in place. ACTA is comfortable that we can meet our end of the bargain. The legislative track is focused on appropriation of TCIF revenues. The Governor has included this amount in his budget – half a billion dollars of Prop B (the 2-billion dollar Proposition). The Assembly Appropriations Committee has yet to act, but the Senate Sub-Committee approved a \$400 million figure primarily as a placeholder. We expect the Assembly group to act shortly after the release of the May revise in a week or so. Final point is that CARB has recommended that the San Pedro Bay Ports receive the first allocation of the emission-reduction funds of \$98 million to support the Clean Trucks Program. This is helpful to ACTA. The Air Quality Board is scheduled to vote May 22 on this item and the Ports are pursuing \$400 million of the billion dollars to support the Clean Truck Program.”

23. MARCH PERFORMANCE UPDATE – INFORMATION ITEM.

Mr. Preusch gave an update on the March 2008 performance.

Mr. Hankla stated that a sensitivity analysis was needed.

Mr. Preusch stated that the information Mr. Hankla requested would be provided to the Governing Board.

24. PUBLIC COMMENT

There was no one present to address the Governing Board.

CLOSED SESSION – CANCELLED.

ADJOURNMENT

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