

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 14, 2009, AT 9:00 A.M.

Members present:

Janice Hahn, City of Los Angeles
Gary DeLong, City of Long Beach
James C. Hankla, Port of Long Beach
Richard D. Steinke, Port of Long Beach
Douglas Krause, Port of Los Angeles
Mike Christensen, Port of Los Angeles

Members absent:

Don R. Knabe, Los Angeles County
Metropolitan Transportation Authority

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

CHAIRPERSON HAHN PRESIDED.

APPROVAL OF MINUTES

Mr. Steinke moved, seconded by Mr. Krause and unanimously carried, the minutes of the regular meeting of January 8, 2009, were approved.

Mr. John Doherty made two announcements: (1) Councilmember Gary DeLong, as of early February, was declared the official representative from the City of Long Beach to the ACTA Governing Board due to the recent election of Assemblymember Bonnie Lowenthal, and (2) this would be Governing Board Member James C. Hankla's last Governing Board meeting due to his Harbor Commission term expiring.

Mr. Doherty thanked Mr. Hankla for all of his outstanding help and service over the past dozen years with regard to the Alameda Corridor. Mr. Doherty stated there would probably not be an Alameda Corridor, as it is configured today, had it not been for Mr. Hankla's work over the past 12 years. He stated that there would probably not be an SR-47 Project, a PCH Project, or Rail Bridge Project, which were all ideas that Mr. Hankla incorporated into the definition of the Alameda Corridor. Mr. Doherty stated that he is very grateful for all of Mr. Hankla's hard work and activities as President of the Long Beach Harbor Commission and the adoption of the Clean Air Action Plan. He

stated he would like to recognize Mr. Hankla and thank him.

Chairperson Hahn stated that Mr. Hankla has been synonymous with goods movement in the Southern California region, that he was the visionary and architect of so many systems that are currently in place to move goods. She gives credit to Mr. Hankla for PierPass and the off-peak movement of goods. Chairperson Hahn thanked Mr. Hankla for all his years of great service in so many capacities from the County of Los Angeles, to the City of Long Beach, to the Port of Long Beach, to the esteemed ACTA Governing Board.

Mr. Hankla thanked Chairperson Hahn and stated that one of the most satisfying experiences of his professional career has been his association with ACTA and the Port of Long Beach. He stated that ACTA has been a truly unique organization, that it is the least bureaucratic of any governmental organization he has ever been associated with and that means it's gotten things done. Mr. Hankla encouraged the Governing Board to resist the urge to become bureaucratic with projects that desperately need to get done and to try to identify the product and build a process to get the product, rather than accommodate the product to the process at hand.

1. CLOSED SESSION

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

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Government Code Section 54956.9, Subdivision (b) (three potential cases).

At 10:15 a.m., the Governing Board meeting was again called to order by Chairperson Hahn.

Mr. Charles Gale, ACTA Co-General Counsel, announced, "During the closed session, the ACTA Board approved a settlement with Union Pacific Railroad Company concerning implementation rules to be applied commencing January 1, 2009, when counting containers subject to Use Fees and Container Charges to be paid to ACTA and determining whether those containers are waterborne or non-waterborne containers. The settlement also includes resolution of certain disputes between Union Pacific and ACTA with respect to counting containers for periods prior to January 1, 2009."

2. FY2010 BUDGET – ADOPTED.

Communication from James P. Preusch, Chief Financial Officer, dated May 14, 2009, recommending adoption of the Final FY 2009/2010 (FY10) Budget and appropriate cash spending of \$130,105,455, was presented to the Governing Board.

Mr. Preusch provided a presentation and overview of the proposed budget and responded to specific questions regarding the budget.

Mr. Hankla moved, seconded by Mr. DeLong, that the Final FY 2009/2010 Budget and appropriate cash spending be adopted as recommended. Carried by the following vote:

AYES: Members: Krause, Christensen, Hankla, Steinke, DeLong, Hahn
NOES: None
ABSENT: Knabe

CONSENT CALENDAR - ITEMS NOS. 3-18.

3. MONTHLY FINANCIAL REPORTS FOR THE PERIOD ENDED MARCH 31, 2009 – RECEIVED AND FILED.

Communication from James Preusch, Chief Financial Officer, dated May 14, 2009, recommending that the monthly financial reports for the period ended March 31, 2009, be received and filed, was presented to the Governing Board.

4. QUARTERLY INVESTMENT REPORT FOR THE PERIOD ENDING DECEMBER 31, 2008 – RECEIVED AND FILED.

Communication from James Preusch, Chief Financial Officer, dated May 14, 2009, recommending that the Quarterly Investment Report for the period ending December 31, 2008, be received and filed, was presented to the Governing Board.

5. QUARTERLY INVESTMENT REPORT FOR THE PERIOD ENDING MARCH 31, 2009 – RECEIVED AND FILED.

Communication from James Preusch, Chief Financial Officer, dated May 14, 2009, recommending that the Quarterly Investment Report for the period ending March 31, 2009, be received and filed, was presented to the Governing Board.

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

Communication from John T. Doherty, Chief Executive Officer, dated May 14, 2009, 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 FY10 for the total not-to-exceed amount of \$102,000, was presented to the Governing Board.

7. CHANDLER ASSET MANAGEMENT, INC. – AMENDMENT TO AGREEMENT NO. 725 – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated May 14, 2009, recommending authorization for the Chief Executive Officer or Chief Financial Officer to execute Amendment No. 2 to ACTA Agreement No. 725 with Chandler Asset Management, Inc., increasing the compensation by an amount not to exceed \$90,000 and extending the term of the Agreement to June 30, 2010, was presented to the Governing Board.

8. ALAMEDA CORRIDOR ENGINEERING TEAM – ANNUAL CONTRACT WORK ORDERS AND CORRESPONDING CHANGE ORDERS TO AMENDED AGREEMENT NO. CO027 - APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated May 14, 2009, 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 as follows:

Approve FY10 ACTA Support Work Order (CWO) for the period July 1, 2009, through June 30, 2010, and issue Change Order in the amount of \$4,877,674;

Approve FY10 Pacific Coast Highway closeout CWO for the period July 1, 2009, through June 30, 2010, and issue Change Order in the amount of \$37,366;

Approve FY10 SR-47 Expressway CWO for the period July 1, 2009, through June 30, 2010, and issue Change Order in the amount of \$763,098;

Increase the not-to-exceed total contract value by the combined amount of \$5,678,138 from \$216,099,479 to \$221,777,617 to incorporate the CWOs and Change Orders listed above, was presented to the Governing Board.

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

Communication from John T. Doherty, Chief Executive Officer, dated May 14, 2009, 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., increasing the not-to-exceed amount by \$125,000, for construction management services for various ACTA projects and extending the term through FY10, was presented to the Governing Board.

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

Communication from John T. Doherty, Chief Executive Officer, dated May 14,

2009, 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, 2009, through June 30, 2010; and 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, 2009, through June 30, 2010, was presented to the Governing Board.

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

Communication from John T. Doherty, Chief Executive Officer, dated May 14, 2009, 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 through FY10 and an increased not-to-exceed contract amount of \$75,000, was presented to the Governing Board.

12. SAFER SYSTEMS, INC. – NEW AGREEMENT – RATIFY PREVIOUS AMENDMENTS TO PURCHASE ORDER NO. 075 – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated May 14, 2009, recommending authorization for the Chief Executive Officer or Chief Financial Officer to execute a new agreement to replace Purchase Order No. 075 with Safer Systems, Inc., for an amount not to exceed \$100,000 through June 30, 2015, to maintain, upgrade, audit and support ACTA's hazardous material monitoring system; and ratify all previous amendments to Purchase Order No. 075 for the design, installation and support of the hazmat monitoring system, was presented to the Governing Board.

13. IBI GROUP – AMENDMENTS TO AGREEMENTS NOS. CO719 AND CO749 – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated May 14, 2009, recommending authorization for the Chief Executive Officer or Chief Financial Officer to execute amendments to:

Agreement CO719 with IBI for a one-year term extension through June 30, 2010, at an increased contract value not to exceed \$66,000 for support and maintenance of ACTA's Revenue Assessment and Verification System, and

Agreement CO749 with IBI for a one-year term extension through June 30, 2010, at an increased contract value not to exceed \$44,000 for support and maintenance of the PierPass Validation System, was presented to the Governing Board.

14. RON RAKICH & ASSOCIATES, INC. – AMENDMENT TO AGREEMENT NO.

712 – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated May 14, 2009, 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, 2010, in an amount not to exceed \$50,000, was presented to the Governing Board.

15. ACCEPTANCE AND TRANSFER OF PCH PROPERTY EASEMENTS – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated May 14, 2009, recommending authorization for the Chief Executive Officer or Chief Financial Officer to accept on behalf of ACTA the transfer of certain easements related to PCH Project utility relocations from the Ports for the purpose of ACTA then transferring those easements to Los Angeles Department of Water and Power (LADWP) per the terms of an existing MOU between ACTA and LADWP, was presented to the Governing Board.

16. AGREEMENT AMONG ACTA, POLA, AND POLB - TRANSFER OF PORTS JOINT-OWNED PROPERTY – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated May 14, 2009, recommending authorization for the Chief Executive Officer or Chief Financial Officer to execute an agreement among ACTA, POLA, and POLB for the transfer of certain Ports joint-owned property near 25th Street and Alameda Street for disposition, was presented to the Governing Board.

17. AMENDMENTS TO ACTA LEGAL SERVICES AGREEMENTS – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated May 14, 2009, recommending authorization for the Chief Executive Officer or Chief Financial Officer to issue amendments to legal services agreements with eight law firms (Gibbs, Giden; Jones Day; Keesal Young; Allen Matkins; Nossaman; O'Melveny; Quateman; and Alston & Byrd) in the aggregate amount of \$1,350,000 through FY10, was presented to the Governing Board.

18. CALTRANS – COOPERATIVE AGREEMENT – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated May 14, 2009, recommending authorization for the Chief Executive Officer or Chief Financial Officer to execute a Cooperative Agreement with Caltrans for final design of the SR-47 Port Access Expressway/Heim Bridge Replacement Project incorporating certain changes to the agreement as previously approved by the Governing Board on April 14, 2008, including right-of-way acquisition responsibility, was presented to the Governing Board.

Mr. DeLong moved, seconded by Mr. Hankla, that Items Nos. 3-18 be approved as recommended. Carried by the following vote:

AYES: Members: Krause, Christensen, Hankla, Steinke, DeLong, Hahn
NOES: None
ABSENT: Knabe

19. SELECTION OF INDEPENDENT AUDITOR – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated May 14, 2009, recommending approval of the selection of KPMG as ACTA's Independent Auditor and authorize the Chief Executive Officer or Chief Financial Officer to execute an agreement for a five-year term through June 30, 2014, was presented to the Governing Board.

Mr. Preusch gave an overview on the selection process for ACTA's Independent Auditor.

Chairperson Hahn asked who the five-member Evaluation Committee consisted of.

Mr. Preusch responded that the Evaluation Committee consisted of Jim Preusch, ACTA's Chief Financial Officer; Sam Joumblat, ACTA's Treasurer; April See, ACTA's Financial Systems Manager; Trang Nguyen, ACTA's Principal Accountant; and Carl Wolf, ACTA's Internal Auditor.

Chairperson Hahn asked if any Governing Board Members are part of ACTA's Audit Committee.

Mr. Steinke responded that ACTA's Audit Committee includes Governing Board Members Knabe, Krause, and Steinke.

Chairperson Hahn asked if it would have been appropriate to have one of the members of ACTA's Audit Committee to be a part of the Internal Auditor Evaluation Committee process.

Mr. Preusch stated that there had been some dialogue with the Audit Committee Chair, Mr. Krause, and that Mr. Krause did not feel it was necessary to bring this item before the Audit Committee before it was brought before the full Governing Board.

Chairperson Hahn suggested that it may be appropriate to include an ACTA Audit Committee Member as part of the Evaluation Committee when KPMG's five-year term expires.

Mr. Krause moved, seconded by Mr. DeLong, that Item No. 19 be approved as recommended. Carried by the following vote:

AYES: Members: Krause, Christensen, Hankla, Steinke, DeLong, Hahn
NOES: None
ABSENT: Knabe

20. CALTRANS – REVISED DBE IMPLEMENTATION AGREEMENT – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated May 14, 2009, recommending authorization for the Chief Executive Officer or Chief Financial Officer to execute a revised DBE Implementation Agreement with Caltrans for contracts receiving federal aid and to determine and submit the Annual Anticipated DBE Participation Level Form to Caltrans, was presented to the Governing Board.

Ms. Barbara Gadbois, Attorney with the law firm Gibbs, Giden, Locher & Turner, gave a presentation on the Disadvantaged Business Enterprise Program Implementation Agreement.

Mr. Steinke moved, seconded by Mr. DeLong, that Item No. 20 be approved as recommended. Carried by the following vote:

AYES: Members: Krause, Christensen, Hankla, Steinke, DeLong, Hahn
NOES: None
ABSENT: Knabe

21. PROJECT UPDATES – INFORMATION ITEM.

Communications from John T. Doherty, Chief Executive Officer, dated May 14, 2009, providing project updates on Zero Emissions Electric Container Mover System (ZECMS), SR-47, and Cerritos Channel Rail Bridge, was presented to the Governing Board for information only.

23. LEGISLATIVE UPDATE – INFORMATION ITEM.

Due to time constraints, Mr. Norm Emerson gave a legislative update before Item No. 22 was presented.

22. MARCH PERFORMANCE UPDATE – INFORMATION ITEM.

Mr. John Doherty gave an update on the March performance.

PUBLIC COMMENT.

There was no one present to address the Governing Board.

ADJOURNMENT

At 11:25 a.m., the meeting was adjourned sine die.