

MINUTES OF A REGULAR MEETING OF THE ALAMEDA CORRIDOR  
TRANSPORTATION AUTHORITY GOVERNING BOARD HELD IN THE CITY HALL  
COUNCIL CHAMBER OF THE CITY OF LONG BEACH AT 333 W. OCEAN BOULEVARD,  
LONG BEACH, CALIFORNIA, ON JUNE 09, 2016 AT 9:00 A.M.

Members present:

Don R. Knabe, Los Angeles County  
Metropolitan Transportation Authority  
Rich Dines, Port of Long Beach  
Edward Renwick, Port of Los Angeles  
Gene Seroka, Port of Los Angeles  
Jon Slangerup, Port of Long Beach

Alternate Members present:

Suzie Price, City of Long Beach

Members absent:

Joe Buscaino, City of Los Angeles

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  
Lauren Misajon, Deputy City Attorney, City of Long Beach

CHAIR PRICE PRESIDED.

The meeting was called to order at 9:16 a.m. Roll call was taken.

1. ELECTION OF ACTA CHAIR AND VICE CHAIR FOR FY2017 - APPROVED

Communication from John T. Doherty, Chief Executive Officer, dated June 09, 2016, recommending the Governing Board elect a Chair and Vice-Chair of the ACTA Governing Board for FY2017, was presented to the Governing Board.

Board Member Dines made a single motion, seconded by Board Member Knabe, that Joe Buscaino be elected as Chair and that Lena Gonzalez be elected as Vice-Chair of the Governing Board for FY2017. Carried by unanimous vote.

19. APRIL PERFORMANCE – INFORMATION ITEM.

Mr. Doherty gave an update of the San Pedro Bay loaded container growth, Port container throughput, and Corridor performance statistics including train counts and revenue for April 2016.

18. 2016 BONDS – DEFEASANCE & RESTRUCTURING OF 2004A BONDS – INFORMATION ITEM

Mr. Doherty informed the Board that Mr. Preusch would present the results of the 18 month process of the defeasance and restructuring of the 2004A Bonds. Mr. Doherty thanked Mr. Preusch for orchestrating a complex transaction with many parties involved. Mr. Doherty also thanked the banking team and bond counsel.

Mr. Preusch informed the Board that on May 11, 2016, ACTA sold \$34,000,000 of Tax-Exempt First Subordinate lien 2016A Bonds, and approximately \$557,000,000 of Tax-Exempt Second Subordinate Lien 2016B Bonds. The restructuring caused a part of the debt service due in the years 2016-2025 to be deferred to the years 2034 through 2037. The Bonds were sold with a premium of approximately \$96 million, generating proceeds of about \$687 million. The transaction produced a 4% growth, which was included in the budget, 1 ½ % CPI and 2 1/2% volume growth. Between now and 2026, ACTA has substantially reduced the debt service.

Mr. Preusch stated that as early as 2021, ACTA has the opportunity to do additional restructuring of the 2013 Bonds. Additionally, the RRIF transaction is callable at any time and portions of the transaction just completed is callable in 2026. The need for a shortfall advance for the next 10 years is remote and there is an opportunity before getting to the next shortfall advance that would be due.

(Board Member Renwick arrived at 9:30 a.m.)

Mr. Preusch added that ACTA is in the process of re-rating the bonds that have been defeased, 2004A. The defeasance to AAA will help the bonds in the marketplace and help ACTA by removing the debt from the balance sheet. The 2016A Bonds were sold at interest rates of 4% and 5% with a true interest cost of 1.8%. The 2016B Bonds were sold at 3%, 3 1/8%, 4% and 5% with a true interest cost of 3.7%. In the two hour order period, more than 100 orders were received, 7 of which were for the entire offering. The total offering was almost \$10 billion for the \$600 million bonds offered.

Board Member Renwick complemented ACTA staff and the staff at both Ports, especially Mr. Doherty and Mr. Preusch for spearheading the effort. He emphasized that the beneficiaries of the restructuring are the Ports and the people of the state of California, because the saving from the restructuring will allow the Ports to invest in cleaning the air, creating jobs and improving the flow of traffic in the state of California.

Board Member Dines concurred with Board Member Renwick in complementing ACTA staff. He stated that this was a long process and that it would allow the Ports to make other investments. He stated that the Ports would not have to be concerned with shortfall advances

and emphasized the importance of spending the potential savings on on-dock rail.

Board Member Slangerup also thanked ACTA staff on behalf of the Port of Long Beach for a successful transaction and stated that the Port of Long Beach is making major investments in rail.

Board Member Seroka concurred with the comments of the board members and added that the work on the staff level at both Ports was exemplary. He stated that this transaction showed the collaboration between ACTA staff, Ports, Governing Board members and consultants which is commendable and a model for work to be done in the future.

## 2. FY2016/2017 BUDGET – ADOPTED

Communication from James P. Preusch, Chief Financial Officer, dated June 09, 2016, recommending adoption of the final FY 2016/2017 (FY17) Budget and appropriate cash spending of \$107,424,873, was presented to the Governing Board.

Mr. Preusch presented a summary of the underlying budget assumptions. He also presented the FY17 forecast for revenue and container volume, a breakdown of anticipated operating expenses, and the current organization chart.

Board Member Renwick asked whether the SR-47 had been counted as a net item historically. Mr. Preusch responded that it had been treated as a capital item so that it did not appear in the income and expense and showed the recovery elsewhere as an offset to that capital. He added that the auditors made the correction last year.

Board Member Knabe asked why the Maintenance-of-Way charges were reported as a set-aside. Mr. Preusch responded that it was established in the original Use & Operating Agreement which set-up two separate revenue streams, one to support debt and operations and the other to ensure that in the event that the revenue stream had a shortcoming, there was still revenue to maintain the Corridor.

Board Member Dines made a motion to adopt the final FY17 Budget, seconded by Board Member Renwick. Carried by unanimous vote.

## CONSENT CALENDAR - ITEMS NOS. 3-17

### 3. MINUTES - ACTA GOVERNING BOARD SPECIAL MEETING OF APRIL 14, 2016 – APPROVED.

Minutes of the regular meeting of April 14, 2016 of the Governing Board of the Alameda Corridor Transportation Authority were presented to the Governing Board.

4. MONTHLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED APRIL 30, 2016 – RECEIVED AND FILED.

Communication from James P. Preusch, Chief Financial Officer, dated June 09, 2016, recommending that the monthly financial reports for the period ended April 30, 2016, be received and filed, was presented to the Governing Board.

5. LEGAL SERVICES - AMENDMENTS FOR FY17 - APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated June 09, 2016, recommending the authorization for the Chief Executive Officer or Chief Financial Officer to:

- 1) Allocate funds in the amount of \$740,000 in the FY17 Budget for 12 legal firms, excluding EPA Order matters and UPRR Dolores Yard Crossover Project support;
- 2) Increase the current total contract value (FY13-17) for the 12 firms to \$2,530,000; and
- 3) Issue contract value amendments to the 12 agreements incrementally as needed during FY17 provided the total cumulative amount of \$2,530,000 for all firms is not exceeded

was presented to the Governing Board.

6. ALAMEDA CORRIDOR ENGINEERING TEAM (ACET) – FY17 ANNUAL CONTRACT WORK ORDERS – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated June 09, 2016 recommending the authorization of the Chief Executive Officer or Chief Financial Officer to:

- 1) Issue annual Contract Work Orders (CWOs) and corresponding Change Orders (COs) to Amended Agreement No. 27 with the Alameda Corridor Engineering Team (ACET) for FY17 in the aggregate amount of \$2,260,658 allocated as follows: \$1,772,844 for ACTA Support and \$487,814 for SR-47 Project;
- 2) Extend the term of the Agreement through June 30, 2017; and
- 3) Reallocate the FY17 CWO amounts amongst the CWO's during the fiscal year provided the aggregate total amount is not increased

was presented to the Governing Board.

7. POSITIVE LAB SERVICE – AMENDMENT TO AGREEMENT NO. 791 – APPROVED

Communication from John T. Doherty, Chief Executive Officer, dated June 09, 2016, recommending the authorization of the Chief Executive Officer or Chief Financial Officer to issue an amendment to Agreement No. 791 with Positive Lab Service for on-call environmental lab services, increasing the contract value by \$5,000 and extending the term through June 30, 2017, was presented to the Governing Board.

8. AUDIT SERVICES – AMENDMENT TO AGREEMENT NO. 852 & AGREEMENT NO. 840 FOR FY17 – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated June 09, 2016, recommending the authorization for the Chief Executive Officer or Chief Financial Officer to issue amendments to audit service contracts for FY17 services, Agreement No. 852 with BCA Watson Rice – Western Regional, LLP increasing the authorization contract value by \$15,000 and Agreement No. 840 with Vasquez & Company, LLP increasing the authorization contract value by \$55,000, was presented to the Governing Board.

9. MISCELLANEOUS CONTRACT EXTENSIONS – AMENDMENTS TO AGREEMENTS – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated June 09, 2016, recommending the authorization of the Chief Executive Officer or Chief Financial Officer to issue amendments for one-year term extensions to the following ACTA Agreements, which require no new added contract value: No. 36 to Tetra Tech, Inc. for On-Call Environmental; No. 711 to Pacific Railway Enterprises for Signal Engineering; No. 712 to Bickmore and Associates for Insurance Advisor; No. 737 to ACE Engineering for On-call Construction; No. 758 to California Regional Water Quality Control Board for Regulator; No. 764 to Earth Mechanics Inc. for Geotechnical Engineering; No. 780 to BST Associates for Special Economic Studies; and No. 807 to URS Corporation for General Engineering, was presented to the Governing Board.

10. FY17 REQUEST FOR PROPOSALS – ANTICIPATED CONTRACTS – INFORMATION.

Communication from John T. Doherty, Chief Executive Officer, dated June 09, 2016, providing information on anticipated RFPs for eight existing ACTA contracts. The new agreements would be effective beginning July 1, 2017 (FY18) with the exception of the Maintenance Contract, which will be effective April 15, 2017. One RFP for an existing contract was also issued on FY16 for Insurance Services, which will be effective July 1, 2016 subject to Board approval at the Special Meeting held on June 09, 2016. The new RFPs are anticipated for the following ACTA contracts: Internal Audit Services; Media Relations; Federal Advocacy; Environmental On-Call Services; Environmental Lab Services; Maintenance Services; and Investment Services, was presented the Governing Board.

11. CERRELL ASSOCIATES – AMENDMENT TO AGREEMENT NO. 730 FOR MEDIA RELATIONS FOR FY17– APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated June 09, 2016, recommending authorization for the Chief Executive Officer or Chief Financial Officer to execute an amendment to Agreement No. 730 with Cerrell Associates, Inc. for media relations services extending the term through June 30, 2017 in the fixed annual amount of \$60,000 including expenses, was presented to the Governing Board.

12. MANATT, PHELPS & PHILLIPS – AMENDMENT TO AGREEMENT NO. 693 FOR FEDERAL ADVOCACY FOR FY17 – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated June 09, 2016, 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 advocacy services, extending the term one-year through June 30, 2017 at the total not-to-exceed sum of \$60,000 including expenses, was presented to the Governing Board.

13. NORTH AMERICAN EMERGENCY MANAGEMENT – AMENDMENT TO AGREEMENT NO. 337 FOR EMERGENCY PREPAREDNESS PLANNING – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated June 09, 2016 recommending the authorization of the Chief Executive Officer or Chief Financial Officer to executive an amendment to Agreement No. 337 with North American Emergency Management (NAEM) for emergency preparedness planning and annual field exercises in the amount of \$20,000 and extend the term through June 30, 2017, was presented to the Governing Board.

14. DAVID DUTHIE – AMENDMENT TO CONSULTANT SERVICE AGREEMENT NO. 714 FOR UTILITY COORDINATION SERVICES – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated June 09, 2016, recommending the 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 extending the term through June 30, 2017 and increasing the contract value by \$25,000, was presented to the Governing Board.

15. IBI GROUP– AMENDMENT TO AGREEMENT NOS. 719 AND 783 FOR ACTA SYSTEMS SUPPORT AND MAINTENANCE EFFORTS – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated June 09, 2016, recommending authorization for the Chief Executive Officer or Chief Financial Officer to issue amendments to two existing contracts with the IBI Group for FY17 services as follows: Agreement No. 719 for a one-year term extension through June 30, 2017 at a fixed amount of \$109,725 for support and maintenance of ACTA’s Revenue Assessment and Verification System and ACTA’s

PierPass Validation System and Agreement No 783 for a one-year term extension through June 30, 2017 with no additional contract value for special services and system enhancements, as may be required, was presented to the Governing Board.

16. BARTEL ASSOCIATES, LLC – AMENDMENT TO AGREEMENT NO. 788 – ACTUARY SERVICES – APPROVED

Communication from James P. Preusch, Chief Financial Officer, dated June 09, 2016, recommending the authorization for the Chief Executive Officer or Chief Financial Officer to issue an amendment to Agreement No. 788 with Bartel Associates, LLC for actuary services, increasing the term through June 30, 2018 and the contract value by \$20,000, was presented to the Governing Board.

17. AUDIT OF RAILROAD'S SYSTEM USED FOR ACTA FEE SELF-ASSESSMENT & DAILY REPORTING UPDATE – INFORMATION

Communication from James P. Preusch, Chief Financial Officer, dated June 09, 2016, providing an update regarding the Audit Committee's recommendation that Moss Adams, ACTA's Independent Auditor, perform an audit of the Railroad's electronic systems used to self-assess ACTA's fees that are paid monthly and to report daily train movements in Southern California, was presented to the Governing Board.

Board Member Dines motioned, seconded by Board Member Renwick that Items No. 4, 10 and 17 be received and filed and that Items Nos. 3, 5-9, and 11-16 be approved. Carried by the following vote:

AYES: Price, Dines, Knabe, Renwick, Seroka, Slangerup

NOES: None

ABSENT: Buscaino

20. PUBLIC COMMENT

There were no requests by the public to address the Governing Board.

21. CLOSED SESSION

At 9:59 a.m., Chair Price recessed the Governing Board meeting to hold a conference with legal counsel, pursuant to Government Code Section 54956.9, Subdivision [a], (one case) regarding existing litigation – City of Huntington Park v. County of Los Angeles; Los Angeles County Flood Control District, Los Angeles Superior Court Case No. BC547969 - and conference with legal counsel, pursuant to Government Code Section 54956.9 subdivision (d), regarding exposure to litigation (one potential case).

At 10:39 a.m., the meeting was again called to order.

Ms. Heather McCloskey, ACTA Co-General Counsel, announced there were no reportable actions from the closed session.

At the request of Mr. Doherty, the meeting was adjourned in memory of Bob Nichol, Chairman, President and CEO of Moffatt & Nichol Engineers, who passed away in March 2016. Mr. Nichol's firm performed most of the engineering efforts with their marine expertise at both of the ports and was instrumental in the engineering work performed on the Alameda Corridor. Mr. Nichol will be missed.

## 22. ADJOURNMENT

At 10:41 a.m., the meeting was adjourned sine die.