

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 12, 2014 AT 9:00 A.M.

Members present:

Gary DeLong, City of Long Beach
Joe Buscaino, City of Los Angeles
Susan E. Anderson Wise, Port of Long Beach
Edward Renwick, Port of Los Angeles
Al Moro, Port of Long Beach
Gary Lee Moore, 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
Charles Gale, ACTA, Co-General Counsel
Heather McCloskey, ACTA, Co-General Counsel

CHAIRPERSON DE LONG PRESIDED.

The meeting was called to order at 9:09 a.m.

As it was Chair DeLong's last ACTA meeting, Vice-Chair Buscaino made a presentation to Mr. DeLong thanking him on behalf of the entire Board for his five years of outstanding and dedicated service to the ACTA Governing Board.

1. ELECTION OF ACTA CHAIR AND VICE-CHAIR FOR FY2015.

Communication from John T. Doherty, Chief Executive Officer, dated June 12, 2014, recommending the Governing Board elect a Chair and Vice-Chair of the ACTA Governing Board for FY2015, was presented to the Governing Board.

Board Member DeLong made a single motion, seconded by Board Member Wise, that Vice-Chair Buscaino be elected as Chair and that the Long Beach city council

representative be elected as Vice-Chair of the Governing Board for FY 2014/2015. Carried by unanimous vote.

2. FY 2015 BUDGET – ADOPTED

Communication from James P. Preusch, Chief Financial Officer, dated June 12, 2014, recommending adoption of the final FY 2014/2015 (FY15) Budget and appropriate cash spending of \$133,144,840, was presented to the Governing Board.

Board Member Renwick asked what percentage of the ongoing support costs ACTA provides to Caltrans for SR-47 Segment 1 is reimbursable. He was advised that it is virtually all reimbursable from either Caltrans sources or a direct federal grant that was issued to ACTA for design efforts. The latter requires a small local match of ACTA funds.

Board Member Moro asked what services are included in the Professional Services category. Mr. Doherty responded that of the \$271,000, \$174,000 is for the IBI Group, which designed, implemented and now maintains the revenue collection system. The second most significant amount is \$50,000 for financial services from PFM, ACTA's financial advisor, and Fitch & Moody's, ACTA's bond rating agencies.

Board Member Renwick asked whether the ACET Operating Support category is increasing due to capitalization issues. Mr. Doherty explained that ACTA's capital program activity, which is reimbursable from bond, grant or Caltrans sources, is decreasing. However, it has not reduced to a level where ACET full-time engineering support can be returned to their home office and be made available part-time on an as needed basis. Therefore, the percentage of their non-reimbursable time, which is paid from operating sources, is increasing slightly. Accordingly, there will be \$50,000 to \$60,000 more this year in ACET expenses charged to the operating budget.

Vice-Chair Buscaino asked about the future port container growth necessary to avoid another port shortfall advance. Mr. Doherty said that there should be enough revenue and other financial reserves to avoid another advance through and including FY17. However, due to ACTA's escalating debt service, an average annual port container volume growth of at least 4% beginning almost immediately and continuing through about 2023, is likely necessary to avoid shortfalls after FY17. This 4% requirement also assumes that in addition an annual CPI increase of 2-2.5% to the ACTA fee will continue to occur. Mr. Doherty pointed out that ACTA's annual debt levels off after 2023 at about \$200 million and growth is not quite as critical then as it is over the next decade.

Mr. Preusch advised that in 2017 there will be an opportunity to refund certain 2004A bonds, but the bulk of that relief would not occur until 2021, due to maturity schedules. Mr. Renwick expressed concerns that ongoing and increased North American

port competition for discretionary cargo will threaten the ability to average 4% growth, and pointed out that ACTA's revenue is primarily based on discretionary cargo. Ms. Wise agreed and indicated that, given such competitive circumstances, the two ports must work together to improve port productivity to continue to attract discretionary cargo. Mr. Doherty stated that such concerns, as expressed, is why the ports must budget for potential future shortfalls.

Vice-Chair Buscaino motioned, seconded by Board Member Moro, that Item No. 2 be approved. Carried by the following vote:

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

CONSENT CALENDAR - ITEMS NOS. 3-17

3. MINUTES - ACTA GOVERNING BOARD REGULAR AND SPECIAL MEETINGS OF APRIL 10, 2014 – APPROVED.

Minutes of the regular and special meetings of April 10, 2014 of the Governing Board of the Alameda Corridor Transportation Authority were presented to the Governing Board.

4. MONTHLY FINANCIAL REPORTS FOR THE PERIOD ENDED APRIL 30, 2014 – RECEIVED AND FILED.

Communication from James P. Preusch, Chief Financial Officer, dated June 12, 2014, recommending that the monthly financial reports for the period ended April 30, 2014, be received and filed, was presented to the Governing Board.

5. QUARTERLY INVESTMENT REPORT - RECEIVED AND FILED.

Communication from James P. Preusch, Chief Financial Officer, dated June 12, 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.

6. BAZILIO COBB – AMENDMENT TO AGREEMENT NO. 852 – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated June 12, 2014, recommending authorization for the Chief Executive Officer or Chief Financial Officer to issue an amendment to Agreement No. 852 with Bazilio Cobb for audit services increasing the authorized contract value by \$10,000 from \$20,000 to \$30,000,

was presented to the Governing Board.

7. TRENCH EMERGENCY LADDERS – INFORMATION ITEM.

Communication from John T. Doherty, Chief Executive Officer, dated June 12, 2014, with information on the emergency ladders along the Corridor, was presented to the Governing Board.

8. HANSON BRIDGETT LLP – ENGAGEMENT OF LAW FIRM – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated June 12, 2014, recommending authorization for the Chief Executive Officer or Chief Financial Officer to execute a 4-year agreement through June 30, 2018 with the law firm Hanson Bridgett LLP for services involving insurance recovery efforts involving the December 2010 Dominguez Channel oil release and other miscellaneous matters, was presented to the Governing Board.

9. KPMG LLP – CONTRACT EXTENSION – APPROVED AS AMENDED.

Communication from James P. Preusch, Chief Financial Officer, dated June 12, 2014, recommending authorization for the Chief Executive Officer or Chief Financial Officer to issue an amendment to Agreement No. 812 with KPMG, ACTA's Independent Auditor, extending the term five years through June 30, 2019 in an amount not-to-exceed \$525,000, was presented to the Governing Board.

10. ENVIRONMENTAL WORK – INCREASED CONTRACT AUTHORITY – APPROVED.

John T. Doherty, Chief Executive Officer, dated June 12, 2014, recommending authorization of a \$750,000 increase for continuing environmental work north of Dominguez Channel, was presented to the Governing Board.

11. LEGAL SERVICES AGREEMENTS FY15 – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated June 12, 2014, recommending to:

- 1) Allocate funds in the amount of \$600,000 in the FY15 Budget for 12 legal firms, excluding EPA Order matters; and
- 2) Increase the current total contract value for the 12 firms by \$360,000 from \$815,000 to \$1,175,000; and
- 3) Issue \$360,000 in amendments to eight legal service agreements in the following amounts: Alston & Bird, LLP - \$25,000; Keesal, Young & Logan, LLP - \$15,000;

Nixon Peabody, LLP - \$10,000; Nossmann LLP - \$105,000; O'Melveny & Myers, LLP - \$65,000; Polsinelli, LLP - \$110,000; Jones Day - \$10,000 and Hanson Bridgett, LLP - \$20,000; and

- 4) Issue additional amendments during the fiscal year by shifting unused amounts amongst the 12 agreements as necessary, provided the total amount of \$1,175,000 is not exceeded.

was presented to the Governing Board.

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

Communication from John T. Doherty, Chief Executive Officer, dated June 12, 2014, 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, 2015 in the fixed amount of \$60,000 including expenses, was presented to the Governing Board.

13. 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 12, 2014, recommending authorization for the Chief Executive Officer or Chief Financial Officer to execute an amendment to Agreement CO719 with IBI for a one-year term extension through June 30, 2015 at an increased contract value not-to-exceed \$104,500 for support and maintenance of ACTA's Revenue Assessment and Verification System and PierPass Validation System, was presented to the Governing Board.

14. MANATT, PHELPS & PHILLIPS – AMENDMENT TO AGREEMENT NO. 693 FOR FEDERAL ADVOCACY FOR FY15 – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated June 12, 2014, 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, 2015 at the total not-to-exceed sum of \$60,000 including expenses, was presented to the Governing Board.

15. WILLIS INSURANCE SERVICES OF CALIFORNIA INC. – AMENDMENT TO CONTRACT CO761 FOR BROKER OF RECORD SERVICES– APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated June 12, 2014, recommending authorization for the Chief Executive Officer or Chief Financial

Officer to execute an amendment to Contract CO761 with Willis Insurance Services of CA Inc. for insurance brokerage services, extending the contract term through June 30, 2015 and increasing the contract amount by \$100,000.

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

Communication from John T. Doherty, Chief Executive Officer, dated June 12, 2014, recommending the authorization for the Chief Executive Officer or Chief Financial Officer to execute an amendment to Agreement No. 714 with David Duthie for utility coordination services extending the term through June 30, 2015 and increasing the contract value by \$25,000, was presented to the Governing Board.

17. ALAMEDA CORRIDOR ENGINEERING TEAM (ACET) – FY15 ANNUAL CONTRACT WORK ORDERS – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated June 12, 2014 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. C0027 with the Alameda Corridor Engineering Team for FY15 in the aggregate amount of \$2,280,707 allocated as follows: \$1,835,833 for ACTA Support, \$39,726 for the Pacific Coast Highway Project, and \$405,148 for SR-47 Project; and
- 2) Reallocate FY15 CWO amounts amongst the CWO's during the fiscal year provided the overall aggregate amount is not increased.

was presented to the Governing Board.

Board Member Wise asked about Jones Day's role going forward since one of the attorneys is no longer with Jones Day. Mr. Doherty responded that the law firm is being carried forward with no specific FY15 assignments, in order to have them available for new or past litigation matters in which they were involved.

Board Member Renwick asked that Item No. 9 be amended to reduce the proposed extension from five years to one year through June 30, 2015, and that a new RFP be issued for services beyond that date. Board Member Wise concurred.

Board Member Renwick made an amended motion that the communications be received and filed and that Items Nos. 3-17 be approved as recommended with an amendment to Item No. 9. The amended motion was seconded by Board Member Wise. Carried by the following vote:

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

18. LEGISLATIVE UPDATE – INFORMATION ITEM.

Mr. Doherty provided an update on State Legislation Bills SB 925 and AB 2541.

19. APRIL PERFORMANCE – RECEIVED AND FILED.

Mr. John Doherty presented the April Performance.

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

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

20. PUBLIC COMMENT

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

Prior to adjournment, Vice-Chair Buscaino expressed his thanks and appreciation to Gary Lee Moore, as this was Mr. Moore's last ACTA meeting. Mr. Moore had served as POLA Interim Executive Director and ACTA Board representative.

21. ADJOURNMENT

At 9:44 a.m., the meeting was adjourned sine die.