

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 AUGUST 14, 2008, AT 9:00 A.M.

Members present:

Bonnie Lowenthal, City of Long Beach
Janice Hahn, City of Los Angeles
James C. Hankla, Port of Long Beach
Richard D. Steinke, Port of Long Beach
Douglas Krause, Port of Los Angeles
Geraldine Knatz, 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
Heather McCloskey, ACTA, Co-General Counsel

CHAIRPERSON LOWENTHAL PRESIDED AS CHAIR.

APPROVAL OF MINUTES

Mr. Hankla moved, seconded by Mr. Steinke and unanimously carried, the minutes of the regular meeting of May 8, 2008, were approved.

John Doherty congratulated Bonnie Lowenthal on her winning the Democratic nomination for the 54th Assembly seat.

Agenda Item No. 1 postponed for later in the meeting when Vice-chair Hahn arrives.

CONSENT CALENDAR - ITEMS NOS. 2-7

2. QUATEMAN, LLP – AMENDMENT TO AGREEMENT NO. 747 – APPROVED.

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

2008, recommending authorization for the Chief Executive Officer or Chief Financial Officer to execute an Amendment to Agreement No. 747 with Quateman, LLP, for legal services through June 30, 2008, increasing the not-to-exceed amount by \$70,000, from \$520,000 to \$590,000, was presented to the Governing Board.

3. BALFOUR BEATTY RAIL, INC. – INCREASE TASK ORDER VALUE – AGREEMENT NO. 782 – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated August 14, 2008, recommending authorization for the Chief Executive Officer to increase the Task Order value for miscellaneous flagging protective services along the Corridor by \$100,000, for Agreement No. 782 with Balfour Beatty Rail, Inc., was presented to the Governing Board.

4. ALAMEDA CORRIDOR ENGINEERING TEAM – FY08 CLOSEOUT CHANGE ORDERS TO AGREEMENT NO. 27 – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated August 14, 2008, recommending authorization for the Chief Executive Officer or Chief Financial Officer to issue Change Orders to Contract Work Orders with the Alameda Corridor Engineering Team (ACET) for FY08 final adjustments in the net aggregate deductive amount of \$390,653 as follows:

- 1) Change Order for Base CWO in the decreased amount of <\$647,820>,
- 2) Change Order for Pacific Coast Highway CWO in the decreased amount of <\$9,778>,
- 3) Change Order for SR-47 CWO in the increased amount of \$266,945,
- 4) The total ACET contract value for FY08 will be decreased by <\$390,653> from \$7,626,205 to \$7,235,552, was presented to the Governing Board.

5. AMEND CERTAIN PROFESSIONAL SERVICE AGREEMENTS – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated August 14, 2008, recommending authorization for the Chief Executive Officer or Chief Financial Officer to amend, as may be required, the following agreements due to certain mergers/acquisitions:

- 1) Agreement No. 761 with Hilb, Rogal, & Hobbs (HRH) to accommodate an acquisition by Willis Group Holding, an international insurance broker,
- 2) Agreement No 798 with Nossaman, Guthner, Knox & Elliott LLP, to accommodate a merger with O'Connor & Hannan LLP, a Washington, DC-based law firm,
- 3) Agreement No. 803 with Weston, Benshoof, Rochefort, Rubalcava & MacCuish LLP to accommodate a merger with Alston & Bird LLP, an Atlanta- based law firm, was presented to the Governing Board.

6. KPMG ANNUAL FINANCIAL STATEMENT AUDIT PLANNING LETTER – INFORMATION ITEM.

Communication from James P. Preusch, Chief Financial Officer, dated August 14, 2008, submitting a letter from KPMG, ACTA's Auditor for fiscal years ending June 30, 2008, that outlines the planned scope and timing of the annual financial statement audit, was presented to the Governing Board for informational purposes.

7. RFP FOR INVESTMENT BANKING SERVICES – INFORMATION ITEM.

Communication from James P. Preusch, Chief Financial Officer, dated August 14, 2008, stating that ACTA staff intends to issue an RFP for investment banking services in mid-July, was presented to the Governing Board for informational purposes.

Mr. Krause moved, seconded by Mr. Hankla, that the communications be received and filed and that Items Nos. 2-7 be approved as recommended. Carried by the following vote:

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

8. DEPARTMENT OF WATER AND POWER – WORK ORDER FOR POWER LINE INSTALLATION – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated August 14, 2008, recommending authorization for the Chief Executive Officer or Chief Financial Officer to issue a Work Order(s) to the Department of Water and Power, in an amount not to exceed \$1,500,000, for relocating its power lines from the current temporary location to a new permanent location at the north end of the Corridor, was presented to the Governing Board.

Ms. Knatz moved, seconded by Mr. Krause that Item No. 8 be approved as recommended. Carried by the following vote:

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

9. PROPOSED LAUSD SOUTH REGION HIGH SCHOOL ADJACENT TO ALAMEDA CORRIDOR TRENCH – INFORMATION ITEM.

Communication from John T. Doherty, Chief Executive Officer, dated August 14, 2008, submitting information regarding a LAUSD High School proposed to be built immediately to the east side of the Corridor Trench on a 12.6 acre site in Huntington Park, was presented to the Governing Board for informational purposes.

Mr. Hankla moved, seconded by Mr. Steinke that the communication be received and filed.

10. RESTATED ACTA EXPANDED MISSION – RESOLUTION – ADOPTED SUBJECT TO REVISIONS.

Communication from John T. Doherty, Chief Executive Officer, dated August 14, 2008, recommending a Resolution be adopted restating and updating the ACTA Expanded Mission, was presented to the Governing Board.

Ms. Knatz asked a question regarding Item No. 4 in the Resolution, the Zero Emissions Electric Container Mover System Project. She stated that it should be a centrally located location for the receiving people to load up their containers. She asked why study one from an individual port terminal.

Mr. Doherty responded that this study had contemplated looking at the feasibility of either multiple loading locations or a single loading location in the ports. He stated the study was going to determine if it is viable to have a loading point in each of the terminals, based on the individual volumes of those terminals or if it makes more sense to have a single or a few central loading locations, where containers would perhaps be delivered by electric trucks to a central location, or a number of central locations on Terminal Island and then feed into the system to connect to either the I-710 Corridor or the near-dock facilities. He stated this study would be looking at all of the terminals.

Ms. Knatz stated she was concerned about a location being on Pier A-West and going right through Wilmington.

Mr. Doherty stated the study would examine all the possible alternatives and pros and cons of each. He stated the business model would be reviewed to determine whether it makes practical sense considering the amount of capital investment that would need to be made and also what the true impact on trucks would be.

Mr. Steinke stated that the proposed location by one of the vendors was not Pier A- West, but at one of the container terminals on Pier A. He stated he didn't want to confuse anyone who may be thinking that the remediation area out at Pier A-West is anything more than a remediation area.

Ms. Lowenthal asked a question regarding Item No. 4 on ACTA's Original Expanded Mission which states the word "promote." She asked if the ACTA Governing Board had voted on the new BNSF near-dock facility. She stated that this item should possibly use the word "examine," versus "promote."

Ms. Knatz stated she believed that was some early planning work that ACTA was involved with when the concepts were being developed.

Mr. Doherty stated that the promotion of the original feasibility dates back to June 2004, well before some of the feasibility analysis. He stated that this item regarding the new BNSF near-dock rail facility is in the hands of the Port of Los Angeles in the environmental process.

Ms. Knatz also suggested the word “promote” be changed to “examine” or “study the feasibility of,” verses the word promote.

Mr. Doherty stated the word “promote” would be changed on ACTA’s Expanded Mission Statement, Item No. 4. He stated that ACTA technically has no involvement any longer in the BNSF near-dock facility project.

Ms. Lowenthal stated that there was a meeting recently held at the Gateway COG, initiated by Congress Member Rohrabacher to put together a JPA of some sort for a Mag Lev of some sort. She asked if that would be competitive with any work that ACTA might want to undertake in a similar manner.

Mr. Doherty stated that he wouldn’t see it as a competitive effort, but that he would see it as an information supply to that JPA, if in fact it’s formed. He stated there’s been some talk about who the members of that Authority might have to be. Certainly, ACTA as a Joint Powers Authority can join with another Joint Powers Authority or other individual members to form another larger Authority. He stated he does not see ACTA’s analysis effort anything other than feeding them with the necessary information.

At 9:15 a.m., Vice-chair Hahn arrived at the meeting.

Ms. Hahn recommended keeping Item no. 8, Empty Container Storage Near Ports, on ACTA’s Expanded Mission. She stated she believes ACTA needs to look more closely at how to move the empty containers out of the residential neighborhoods of Wilmington, somewhere where it is less intrusive and more industrial.

Ms. Hahn motioned, seconded by Ms. Lowenthal, that Item No. 8 be kept on ACTA’s Expanded Mission Statement and added to the resolution with a report back on exploring options with both Ports, both Cities, and ACTA to see if there might be a creative solution. Carried by the following vote:

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

The resolution was approved subject to the addition of ACTA’s Expanded Mission Statement Item No. 8, Empty Container Storage Near Ports, and the change in wording on Item No. 4, Zero Emissions Electric Container Mover System (ECMS

Project) to clarify looking at all locations, not just one.

1. ELECTION OF CHAIR AND VICE CHAIR FOR FY 2009.

Communication from John T. Doherty, Chief Executive Officer, dated August 14, 2008, recommending the Governing Board elect a Chair and Vice-chair of the ACTA Governing Board for FY 2009, was presented to the Governing Board.

Mr. Hankla moved, seconded by Mr. Krause, that Ms. Janice Hahn be elected as Chair of the Governing Board for FY 2009. Carried by unanimous vote.

Newly elected Chairperson Hahn presided as Chair for the remainder of the meeting.

Chairperson Hahn presented a clock to Ms. Bonnie Lowenthal to thank her for her outstanding leadership as Chair of the ACTA Governing Board for FY 2007-2008. Ms. Hahn stated that the clock was being presented to Ms. Lowenthal with great appreciation. She stated Ms. Lowenthal brought a great perspective to the Governing Board.

Ms. Lowenthal thanked the staff for sharing so much wisdom and education. She stated that ACTA's mission and expanded mission are critical. She stated that she looks forward to being on the Governing Board and continuing to support the agency.

Mr. Krause moved, seconded by Ms. Hahn, that Ms. Bonnie Lowenthal be elected as Vice-chair of the Governing Board for FY 2009. Carried by unanimous vote.

11. JAMISON SERVICES, INC. – OFFICE LEASE – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated August 14, 2008, recommending authorization for the Chief Executive Officer or Chief Financial Officer to execute an Agreement with Jamison Services, Inc., for office space at One Civic Plaza, Suite 350, Carson, CA, was presented to the Governing Board by Mr. James Preusch.

Mr. Hankla moved, seconded by Mr. Steinke, that authorization be given to the Chief Executive Officer or Chief Financial Officer to enter into an Agreement with Jamison Services, Inc., for office space at One Civic Plaza, Suite 350, Carson, CA. Carried by the following vote:

AYES:	Members: Krause, Knatz, Hankla, Steinke, Lowenthal, Hahn
NOES:	None
Absent:	Knabe

Mr. Krause requested a copy of the lease be forwarded to him for his review.

12. PRESENTATION – PORT VOLUME CHANGES; U.S. ECONOMY EFFECTS VS. DIVERSION – INFORMATION ITEM.

Mr. Walter Kemmsies and Doug Rubin from Moffatt & Nichol gave a presentation on Port Volume Changes; U.S. Economy Effects vs. Diversion.

Mr. Hankla asked if Moffatt & Nichol had looked at what might be the reality if the Canadian National Railway is able to secure the 135-mile stretch of the Elgin, Joliet and Eastern Railway in Chicago.

Moffatt & Nichol stated that they think it gives the Railway an incremental benefit to Memphis or Southern Illinois markets.

Mr. Steinke asked about the success of the railroads with grain and coal and the fact that they're making good profit on that at the expense of international containers.

Moffatt & Nichol stated that coal and grain report very strong earnings. They stated that even though the railroads allocate \$5 or \$10 billion per year for capital expenditures, they still have to decide how much of that money goes to places like the central corridor to run 45 versus 40 coal trains per day. They stated those are economic decisions the railroads make that are judged against expanding the Sunset Corridor, Cajon Pass, and another Intermodal terminal in San Antonio. They stated the revenues from coal and grain compete with capital expenditure dollars for intermodal, but that the railroads are heavily investing in intermodal.

Chairperson Hahn stated that she believes the biggest problem in the Los Angeles region is the aging infrastructure to accommodate growth in the future. She stated that despite short term volume changes she believes our position is still strong in terms of the state dollars that are expected to come back our way, because 85 percent of the cargo entering California is still coming through the Ports of Los Angeles and Long Beach.

Mr. Hankla recommended ACTA take a hard look at the proposal by the Canadian National Railway to purchase the Elgin, Joliet and Eastern Railway, which would improve their competitiveness. He stated he believed those were opposed by a number of Canadian cities. He stated he believes ACTA has a forceful presence through its lobbyist in Washington, DC. He stated he believes this is before the Surface Transportation Board now or in the near future.

It was reported that the Canadian National Railway matter came to the attention of ACTA subsequent to the agenda being posted and a determination by the ACTA Governing Board of the need for immediate action.

Mr. Hankla moved, seconded by Ms. Hahn, that ACTA staff engage its advocacy and environmental consultants to review the EIR/EIS documentation for the proposed matter to see if there are reasonable grounds for opposition. Carried by unanimous

vote.

13. LEGISLATIVE UPDATE – INFORMATION ITEM.

Mr. Norm Emerson gave a legislative update involving the status of the State bond process and the SB 974 Lowenthal container fee bill.

Chairperson Hahn recommended ACTA prepare a letter to all the new entities that are called out in the bill once it is approved regarding ACTA's administrative responsibilities on SB 974 and to identify the deadlines for program submission.

Chairperson Hahn recommended letters be sent to Senator Alan Lowenthal, to thank him for authoring SB974 and ask his support to keep the bill as is, and also send a letter to Susan Kennedy in the Governor's Office in support of SB974 for the Governor to sign.

14. JUNE PERFORMANCE UPDATE – INFORMATION ITEM.

Mr. Doherty gave an update on the June performance.

Mr. Doherty requested the Governing Board meeting be dedicated in the memory of Richard Hollingsworth.

Ms. Lowenthal moved, seconded by Mr. Hankla that the meeting be adjourned in memory of Mr. Richard Hollingsworth.

CLOSED SESSION

At 10:50 a.m., Chairperson Hahn recessed the Governing Board meeting to hold an attorney-client meeting pursuant to Government Code Section 54956.9, Subdivision (b), regarding anticipated litigation.

At 11:09 a.m., the meeting was again called to order by Chairperson Hahn.

There were no reportable actions from the closed session.

ADJOURNMENT

At 11:10 a.m., the meeting was adjourned sine die.